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9/11 COMMISSION RECOMMENDATIONS: COUNTERTERRORISM ANALYSIS AND COLLECTION - THE REQUIREMENT FOR IMAGINATION AND CREATIVITY

Wednesday, August 4, 2004

U.S. House of Representatives,

Permanent Select Committee on Intelligence,

Washington, D.C.

The committee met, pursuant to call, at 9:10 a.m., in Room 2318, Rayburn House Office Building, the Honorable Porter J. Goss [chairman of the committee] presiding.

Present: Representatives Goss, Boehlert, Gibbons, LaHood, Cunningham, Hoekstra, Burr, Everett, Collins, Harman, Reyes, Boswell, Cramer, Eshoo, and Holt.

Staff Present: Patrick Murray, Staff Director; Merrell Moorhead, Deputy Staff Director; Mike Fogarty, Counsel; William P. McFarland, Director of Security;

Brandon Smith, Systems Administrator; Barbara Bennett, Professional Staff; Michele Lang, Professional Staff/Counsel; Michael Ennis, Staff Director, Subcommittee on Intelligence Policy & National Security; Mike Kostiw, Staff Director, Subcommittee on Terrorism & Homeland Security; Larry Denton, Chief Clerk; Jay Jakub, Professional Staff; Robert Myhill, Professional Staff; Kathleen Reilly, Professional Staff; John Stopher, Professional Staff Member; Carolyn Lyons, Staff Assistant; Courtney Anderson, Staff Assistant; Suzanne Spaulding, Minority Counsel; Wyndee Parker, Counsel/Professional Staff; T. Kirk McConnell, Professional Staff; Marcel Lettre, Professional Staff; Elizabeth Larson, Professional Staff; John Keefe, Professional Staff; and elly Gaffney, Professional Staff.

The Chairman. Pursuant to notice, I call the meeting of the Permanent Select Committee on Intelligence on the 9/11 Commission's recommendations, analysis and collection, the requirement for imagination and creativity, to order.

By agreement with the Ranking Member Ms. Harman, opening statements today will be dispensed with, other than those to be offered by the Chairman and Ms. Harman. We will move, therefore, quickly to the business of the day, which is three panels of witnesses. I expect they are going to keep our day fully occupied. I am looking forward to it.

I also point out that we had planned to have another panel of the Commissioners. That did not work out because of other commitments. That part of this hearing will be continued, I understand, until next week's Wednesday hearing, is my understanding.

There exists in the world today an enormous network of ruthless fanatics who wish to kill us and destroy our way of life just because we are who we are, Americans. That is chilling, it is dangerous, and it is the reason we need to have better intelligence and approved counterterrorist capabilities, and that is why we are here today. I welcome everyone. Good morning.

I would like to thank the Members and our witnesses for participating. I know that hearings in August are very rare, and I know that numerous schedules and plans have had to change, and there has been disruption in other valuable work that Members are doing. Ms. Harman is at a conference, I know, and she has taken a day from that. It is a conference I would like to be at, too. So people have gone a long way to accommodate what we think is the vitality and timeliness of an issue before us, which is the work of the 9/11 Commission report and how to proceed with the recommendations.

The committee meets in open session to continue the ongoing mission of the committee to consider ways to improve the Intelligence Community. Today's hearing is responsive to the 9/11 Commission's report and recommendations. Today we begin the process of considering its contribution and moving toward a final determination of how the Intelligence Community needs to be reconstructed not just in its bureaucratic formulation, but in its ability to collect, to exploit, analyze and disseminate intelligence that is necessary for our Nation's security.

As we consider the constructive recommendations of the 9/11 Commission, some 41 of them, I believe, we will examine as well the various proposals on these topics

offered by the House and the Senate's Joint Intelligence Committee's inquiry into the September 11 terrorist attacks -- many of us participated in those; those offered by the President on Monday of this week, which we are still in the process of digesting; and the specifics of the legislative proposals introduced by members of this committee earlier this year. All of this is in the mix, and probably there will be more before we are through.

This is the first in a series of hearings dealing with the 9/11 Commission's recommendations before this committee, but it is not the first hearing that this committee has had that deals with a number of these issues. Including today's hearing, the committee, including its subcommittees, has held 62 oversight hearings on various aspects of the Intelligence Community's performance and resource needs in this Congress. I would note that this is more hearings than the committee has held in any other calendar year. We have been busy.

In this Congress we have held specific hearings on the need for the government to secure our Nation and our liberties. Obviously that mission is before us all. We have held hearings on the Intelligence Community's performance in the runup to military hostilities in Iraq. We have held hearings on the Intelligence Community's

HUMINT, human intelligence, and analytic capabilities. We have held hearings on the Intelligence Community's activities not just on the global war on terror, including Afghanistan and Iraq.

The committee, through its subcommittees, has held hearings on the needs for improved language capabilities throughout the Intelligence Community, the availability of biometric technologies to enhance our homeland security, the efforts being taken to more fully integrate the Coast Guard into the Intelligence Community. We have also studied the need for improved information technology coordination through the Intelligence Community, a critical need.

With respect to the need for linguistic skills and IT coordination or the development of an IT enterprise architecture, the committee included in its annual intelligence authorization bill for fiscal year 2005 two specific provisions that address the need for better coordination in these areas. The committee proposed the creation of two high-level coordinating authorities within the Office of the Director of Central Intelligence.

The committee has heard about other issues beyond counterterrorism as well. We have had hearings on various aspects of counternarcotics, counterintelligence and counterproliferation, because, of course, these threats

are with us, too, and have not abated.

So this is the first of a series of hearings dealing with the 9/11 Commission recommendations directly. It is entitled 9/11 Commission Recommendations: Analysis and Collection, the Requirement for Imagination and Creativity, because such stress has been put on the questions of imagination and creativity by the Commissioners.

The Commission noted that one of the main failings of the Intelligence Community was, in their view, a lack of imagination. I am interested in determining how they came to this judgment, what was it they saw that brought them to this finding, and I am also wondering how changing the structures of the Intelligence Community and the Congress will improve the imagination the Commission thinks is required to abate the terrorist threat.

Ultimately, I do agree with them that we need to think more creatively and act more boldly toward the threats we face and the enemy we need to defeat. I think most of us feel that way.

This committee is, of course, open to change throughout the Intelligence Community. In fact, a majority of this committee introduced H.R. 4584, the DCIA bill, in June, the Directing Community Integration Act. This bill seeks to reconstruct the Intelligence Community

under a different organizational structure than what is now operating.

That bill would provide full budget authority for the National Foreign Intelligence Program to the head of the Intelligence Community, would provide the head of the Intelligence Community with enhanced authority in the naming of the heads of the various agencies within the National Foreign Intelligence Program, and would provide the head of the Intelligence Community certain acquisition and procurement authorities currently held by the head of the CIA.

The bill also contemplates a coordinating structure within the office of the head of the Intelligence Community to address the need to manage and mandate integration of purpose by the various elements of the Intelligence Community for specific issue areas, such as counterterrorism, counternarcotics, counterproliferation, law enforcement coordination and covert action.

There are, of course, some differences between this bill and the recommended approach of the 9/11 Commission. The fact remains, however, that the principal concept of one person in charge, with full budget authority across the Intelligence Community elements, and the need for an integrated focus across the Intelligence Community for counterterrorism, are present in this bill.

The committee Minority has also introduced H.R. 4104, the Intelligence Community Transformation Act. This bill seeks change in the structure of how the Intelligence Community operates and also seeks, rightly, to tear down the stovepipes that might burden our ability to keep us safe. To be sure, there are differences in that approach from our approach and that of the 9/11 Commission. Problematically, however, from my perspective, H.R. 4104 does not seek to modify any budget authority or any personnel authority from that which currently exists in the statute, and we think there is a problem there.

This committee will explore each of these approaches and any other constructive approaches that come out of these hearings, of course, to cure what ails the Intelligence Community in order to better secure our future and deter and disrupt the threat from radical extremists who seek to murder and maim innocent Americans just because they are American.

This committee has a responsibility to the dedicated men and women of the Intelligence Community, professionals all, to ensure that we be thoughtful and deliberative in our efforts to acknowledge what they do, what they do well; to maintain what works; and, above all, that while they toil to defend our freedom and are doing the hard and dangerous work out there, that we in Congress get it right

and, in fact, have no unintended negative consequences in what we do.

I want to thank them for their service, their dedication and their sacrifice. They work quietly, without the ability to publicly tout success, and with any failure, or even perceived failure, usually splashed across the front page.

I am sure that the notion of significant changes has many in the community concerned. Changes will come because they are needed. But on this point we are discussing change because our system and structures need to evolve. We are not here because we lack confidence in our Intelligence Community personnel. Simply stated, we are discussing change because we want them to succeed, and we need them to succeed. I believe that the work we do here will improve the support these officers and individuals receive in accomplishing their missions.

Finally, the importance of men and women of the Intelligence Community will remain constant, as will our faith in them. I think everybody here knows that the essence of good intelligence is good people, and this country is blessed with a lot of good people.

These are extraordinary times, and while we will act with all appropriate speed, we have a responsibility to ensure that the changes the committee ultimately proposes

improve our security, enhance the functioning of the Intelligence Community and improve the ability of our policymakers to make well-informed decisions.

We cannot afford to make changes blindly or in unnecessary haste. We can ill afford to rush to judgment any more than we can tolerate needless delay. These issues are too critical. We must pay attention to the details. And, believe me, there are a lot of details.

For those of you who actually tackled this wonderful document, I would say the first 330 pages of it, chapters 1 through 10, should be required reading for everybody in this country. It explains very well what the nature of the enemy is, what the threat really is, and how lucky we are to live in a free, democratic, open society, what that means, and how easy it is to take advantage of.

The other chapters are the chapters we are having these hearings on, after chapter 10, after page 338, basically what do we do about it, and how do we make our government work better. But I would recommend this: This is an excellent document for getting the flavor of what the problem is.

The unintended consequences of action we take could wreak havoc if we get it wrong, so we are not going to go there. We also have to acknowledge, as many have, that even if we were to act today or tomorrow, we could still

be attacked. The enemy is stealthy and seeks to avoid detection until the moment it strikes. All of our efforts, working as well as they can, may not be adequate enough to stop every attack, but we need to do everything in our power and within our authority consistent within the Constitution that we protect our Nation. This is the fundamental obligation of our government, and the congressional role of the legislative branch is deliberation and representative action, and that is being fulfilled.

We all work under just one flag. There are no Rs or Ds on this committee here today, as far as I am concerned. We are all As, we are Americans, and we represent our districts and our country, and we will do our business accordingly.

Some may ask, why has the Intelligence Community reform not occurred until now? I would say that many reforms actually have occurred. They have taken place over many years, some more recently. Large-scale restructuring, however, has been debated since the early 1990s as a take-off date, if you want to use Aspin-Brown, but without the necessary consensus until, I think, now. I think we do have a consensus in this country that the time has come to move.

In the 9-plus years I have had the privilege to serve

on the House Intelligence Community, we have identified several areas in need of reform, including collection efforts similar to what the 9/11 Commission has suggested. I believe we now have the momentum needed to tackle the largest issues associated with effective change, and these would include budget and resource realignment.

The committee expects our witnesses today to discuss the recommendations provided by the 9/11 Commission and in so doing to provide greater insight into the decisions behind these recommendations from their perspective, the rationale for certain recommendations, their personal views of how these recommendations should be implemented, and specifically how these new structural and policy changes will better protect America and improve analysis and collection.

Finally, I expect our witnesses to address the key questions emerging from the 9/11 Commission's primary recommendation, namely the creation of a National Intelligence Director. How will this action provide the leadership that the Intelligence Community needs? How will that leadership translate into improved capabilities and information sharing? In short, will a proposed National Intelligence Director improve U.S. abilities in the art of intelligence? And those views we would welcome.

[The statement of Mr. Goss follows:]

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The Chairman. With that, I yield to the distinguished Ranking Member, the gentlewoman from California, Ms. Harman.

Ms. Harman. Thank you, Mr. Chairman. Welcome to our witnesses, all of whom are extremely able on the subjects that all of us came back to Washington to hear about.

Mr. Chairman, I hoped we would come here today to consider legislation to fix the problems that we all know exist. That is what others in Congress are doing, and so should we.

Two weeks ago the Senate Intelligence Committee held hearings on specific legislative proposals to create a National Intelligence Director and may hold another such hearing on August 18. Last Friday the Senate Government Affairs Committee held a hearing to consider the specific proposals of the 9/11 Commission. Yesterday they held a second hearing, as did the House Committee on Government Reform.

Two days ago, the President finally asked Congress to create a National Intelligence Director. Others are moving forward, Mr. Chairman, but this committee appears to be moving in reverse.

Today's hearing is entitled The Lack of Imagination and Creativity. Well, maybe I lack imagination and

creativity, but I cannot figure out why we are not marking up today two bills that have been pending in this committee for months.

H.R. 4104, which you mentioned, was introduced on April 1 by nine members of this committee and closely resembles, very closely resembles, the recommendations of the 9/11 Commission. By the way, it does modify budget authority.

H.R. 4584, your bill, Mr. Chairman, was introduced on June 16 and is another approach to solve what are clearly identified problems.

Mr. Chairman, in your opening remarks you made clear that our committee has the hearing record expertise and jurisdiction needed to write the bill that becomes law. As you pointed out, we have had 62 hearings just this year on topics that are relevant to marking up legislation. So why is our committee not moving faster?

As we all know, our Intelligence Community was created in 1947 to fight an enemy that no longer exists. To put it another way, we are using a 1947 business model to confront a 21st century threat. Our 15 intelligence agencies operate with different rules, cultures and databases. They do not share information adequately, and they do not adequately coordinate their efforts to collect, analyze and disseminate intelligence.

Our intelligence agencies, as we all know, missed opportunities to penetrate the 9/11 plot. We lost track of the 9/11 hijackers because our intelligence agencies did not work well together, and we did not connect the dots about possible terrorist training at U.S. flight schools in the months before 9/11 because our intelligence agencies did not work well enough together.

The bipartisan Congressional Joint Inquiry into 9/11, in which you and I both participated, the bipartisan 9/11 Commission, Brent Scowcroft, Senators Dianne Feinstein, Bob Graham, Trent Lott, Olympia Snow, Jay Rockefeller, Barbara Mikulski, Ron Wyden and many others agree, we need a single head of the entire Intelligence Community who has true budgetary and management authority to integrate all our intelligence capabilities.

Congress can do this. Twenty years ago it did. It passed Goldwater-Nichols, despite a serious threat of Presidential veto and over the opposition of the armed forces. It was bipartisan congressional leadership at its best. Then July 22, the bipartisan 9/11 Commission, ably led by Governor Tom Kean and Congressman Lee Hamilton, challenged us to adopt Goldwater-Nichols for the Intelligence Communities, an idea which is central to H.R. 4104. I believe we ignore their recommendations at our peril.

Mr. Chairman, it has been nearly 3 years since the tragic events of September 11, 2001, 3 years that the families of the victims have had to wait for action, 3 years of bipartisan panels and commissions, hearings and reports. It is now time to act. Terrorists are not waiting. They are not waiting until after our election to plot their attacks against us, as we know all too well this week as we see armed guards and other efforts to keep the cities of Washington and New York safe, and they are not going to check our party registration before they launch those attacks against us.

I agree with you, Mr. Chairman, we are not Rs and Ds, we are As; and as one A on this hearing panel, I am worried about how slow this committee is proceeding. The time for action is now, and I strongly urge you, Mr. Chairman, to let us mark up and vote on real legislation that will make our country safer. This committee is behind the curve, and we owe it to the 9/11 families and the country to catch up.

Thank you.

The Chairman. Thank you very much, Ms. Harman.

[The information follows:]

******** COMMITTEE INSERT ********

The Chairman. I surely take to heart your sentiment that we need to be acting now, which is indeed why we are taking the unusual step of being here today, and I certainly agree with you that the precepts we are trying to do we share in common. It is some of the details that I think we are going to have to deliberate in order to get successful legislation passed. That process is ongoing, as you see.

The Chairman. I would now like to call our first panel to order. We have with us today the Honorable John Hamre, former Deputy Secretary of Defense, well known to this committee, who has testified before and helped us in our deliberations on a number of matters; we have General William Odom, Lieutenant General, U.S. Army, retired, former director of the National Security Agency; and Dr. Michael O'Hanlon, a Senior Fellow of Foreign Policy Studies at the Brookings Institute. We welcome you all.

I think the order of presentation would be Dr. Hamre, General Odom, and Dr. O'Hanlon.

I would then introduce Dr. Hamre further by saying he has served in numerous defense and national security positions as a professional staff member to the United States Congress and as a senior official in the Department of Defense and Congressional Budget Office. Most notably, Dr. Hamre served as the Deputy Secretary of Defense, as I said, and Comptroller of the Defense Department during the Clinton administration. He is currently the president and CEO of the Center for Strategic and International Studies.

Dr. Hamre's extensive service in the defense field will provide this committee important insights into the form, function and integration of defense intelligence, which is a critical issue for this, and involved very much

at the heart of the recommendations.

Dr. Hamre, welcome. The floor is yours, sir.

STATEMENTS OF JOHN J. HAMRE, PRESIDENT AND CEO, CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES; WILLIAM E. ODOM, FORMER DIRECTOR, NATIONAL SECURITY AGENCY; AND MICHAEL O'HANLON, MILITARY ANALYST, BROOKINGS INSTITUTE

STATEMENT OF JOHN J. HAMRE

Mr. Hamre. Thank you, Mr. Chairman, Ranking Member Harman, all of the distinguished Members. I am grateful to be invited. Let me say, I have admired this committee enormously because, unlike other committees where you can get lots of public credit for what you do, you don't get much credit for the work that you provide to the Intelligence Committee, and that is unusual in Washington. I want to thank you for it. It is the effort and the diligence and the enormous time commitment you have given that is really unheralded and needs to be recognized, and I personally want to thank you for that.

I also want to say as a citizen, I am grateful that you are taking this review. We count on our government both to protect us, but also to safeguard our liberties, and we are now talking about an issue that is right at the

core of that: How do we design the intelligence functions of our government to both protect us from foreign threats as well as the loss of liberty at home? That really can only be answered by you, you alone. So your leadership here, all of you, is just indispensable. I really thank you for it, and I want to say it is a crucial thing you are doing for the country.

I prepared a statement, and I would ask that you include it in the record, but in all honesty, I am not sure it is as relevant today. I wrote that statement before the President made his announcement on Monday, and I am politically realistic. I think having the President endorsing a DNI and having Senator Kerrey call for a DNI means we are going to have a DNI.

To be honest, if we pick it up where it was left on Monday, we are going to get a weak DNI and a weaker CIA, and that is not going to be good. So I think we need to think about this pretty carefully. We are necessarily going to diminish the role of the CIA, which has been the centerpiece of the community for the last 40 years. The way in which it currently stands, the DNI is not going to be a strong actor. So I think you need to really ask hard questions.

I was not a fan, to be honest, of creating a DNI. I did not personally think that is a good idea, but I know

where we are heading. Now we have to make it a good idea. So we have to talk about that. If I could, the written statement has some relevance, but I think the oral remarks have to be more along that line.

The Chairman. Without objection, we will include the written statement for the record.

Mr. Hamre. Thank you, sir.

So it seems to me the question is, how do we avoid getting a weak DNI? I think there are three things. You give him money, control of money. Obviously, I used to be the comptroller of DOD, and I know what money is. It is oxygen for bureaucrats. So you give them control of money. You give them control of people, or you give them real things to run. Those are basically the options we have got. So let's talk about each of them.

I must tell you, I am pretty hesitant to centralize the budget and have it run through another entity if it goes to the Defense Department. I am apprehensive about that. Again, I know it is not that senior leaders cannot work things this out. They can. But the bureaucracies underneath them are at war all the time. When you create ambiguous control arrangements, which is what that is, it is just fraught with controversy.

We have always gotten in trouble in DOD when we have had ambiguous command and control. I think one thing I

would ask you to really think about carefully is not to create ambiguous command and control over intelligence operations. I think centralizing the budget and then handing it out to other departments to run, it is possible, but it is problem-fraught.

I have the same personal reservation about having the DNI have deputies in other departments. I know, Representative Harman, your bill calls for that. Again, you can find people of goodwill who are willing to make that work, but it is inherently ambiguous in an organization to have two bosses who you are working for. One of the problems, I think, we have had with the Intelligence Community has been the ambiguity of responsibility, both to a DCI and to a Secretary of Defense. I think this institutionalizes that ambiguity in a serious way, and I think you want to be quite careful about that.

The third option is that you actually give real things to run so that there is an institutional base. This is why the CIA is going to be weaker and the DNI is going to be weaker as a result of this splitting the job. The DCI was powerful because he had the enormous talent base of the CIA underneath him. If you now split that off, you are going to have a smaller personality in charge of the CIA, but that is not going to be the base that

undergirds the DNI. This is why I say we are going to get two weaker actors out of this if we are not careful.

So, I am not sure I fully have thought through this well enough, but I know it is being discussed by others, and I think that there is a very interesting proposition that one could make that you would transfer, physically transfer, the collection agencies and put them under the DNI so that he is actually running the collection agencies, NRO, NSA, NGA, so he has got the base of the agencies under him. Then you would leave the analytic organizations where they are in the departments.

Now, let me say, my reservation about the 9/11 Commission was that it optimized a government solution around only one of the problems. It took the 9/11 event and it said connecting the dots was the only problem that mattered, and we needed to organize around this problem of connecting dots.

You held a hearing on the problems with WMD in Iraq, and what in large measure you concluded, I certainly feel, is that our community fell into groupthink on Iraq. We so collectively were convinced, for very good reasons, I was, I certainly was convinced, that Saddam Hussein had mountains of chemical and biological weapons. We really didn't study this as well as we should. The entire community became absorbed.

So we have two different problems. We have a connect-the-dots problem, and we have a groupthink problem, and we have to solve them both. But if you optimize a government solution on only one of them, you make the others worse. So if you want to connect the dots and put everything under a single, central, powerful authority, you are going to create, I think, the underpinning for more groupthink, because one bureaucratic entity is now going to be processing the incentives up and down the chain. I don't think that is good.

On the other hand, if you want to promote competition of ideas, you have this problem of coordination with the 9/11 Commission. I think that is the central dilemma that you have to engineer a solution for. This idea of bringing the collection entities under the DNI and having the departments continue to keep the assessment agencies is an interesting solution to that problem, and I would ask you to think about that very carefully. I think that may hold real promise.

Now, you do need to create a structure that integrates, but does not suppress the honest dissension that you want in this community. You want competition of ideas in this community. And I like the ideas in the 9/11 Commission where they try to create a stronger demand for better intelligence. I think that is what they were

trying to do.

If you look at that organization chart on page, I think, 412, or something like that, you know, it has got two big boxes. There is a supply side and a demand side. They are trying to create a stronger demand for better intelligence. I think that is good.

The details are missing. The details become pretty important here. But I would ask you really to bore in on that. That merits genuine development, and I think we are going to see more promise in the long run if we create a culture that demands better quality intelligence overtime. I think you could do that if you pursue this potential organization structure where you bring the generic collection capacities of the government under this authority.

Now, this contradicts my own statement, by the way. My own statement at the end of it really cautioned you against taking things out at DOD and putting them under. But I have to go back to say if we are going to have a DNI, and I didn't really think we were going to necessarily have to have that, but if we are going to have it, and I think we are going to have it now, we cannot afford a weak DNI, and we have to find a way to make this work and make it strong.

Thank you, Mr. Chairman. I think I have said more

than I should have. I certainly have said more than I know. I would be delighted to answer any questions if you have any.

Thank you.

The Chairman. Thank you very much.

[The statement of Mr. Hamre follows:]

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The Chairman. You have also used the word DNI. It is also NID, and we don't have the title down yet, but I think we all know what we mean is the central figure in charge question. I think we are there.

We now come to General William Odom, a Senior Fellow of the Hudson Institute, visiting professor at Georgetown University and a Fellow at Yale University, focusing on military and intelligence issues, and an expert on these subjects.

As the Director of the National Security Agency from 1985 to 1988, he was responsible for the Nation's signals intelligence and communications security. Previous positions, during the course of his distinguished military career, he also served as the Army's senior intelligence officer and a member of the National Security Council Staff. In 2003, General Odom authored Fixing Intelligence For a More Secure America, obviously a very timely book.

Thank you for your military service and for taking the time to be with us today, General. The floor is yours, sir.

STATEMENT OF WILLIAM E. ODOM

General Odom. Thank you very much. Thank you, Mr. Chairman and members of the committee. It is an honor to be here and have this opportunity to testify before you.

I would like to endorse what Dr. Hamre said about the work that the committee does in secret. You don't get credit because the public cannot see the really important work you do in the community. I remember that well from my experiences in the past working with this committee and the SSCI.

I also wondered why Members wanted to be on it, because you don't get much publicity for some of the things you do. I know the things you will do to follow up and respond to the President's announcement and to the 9/11 Commission in your own bills will be done mostly in private, at least the terribly important work on it.

Now, since Dr. Hamre has laid out some issues, I already have testimony submitted, which I will not repeat, I would like to take his, because I think they are a good frame of reference.

We are going to have some kind of DNI, CNI, or whatever, NID, whatever it is called, and the question is what kind of power does it have over money, what kind of

bureaucratic ballast will it have, and what will its relation be with these big agencies in the Defense Department?

First, I have long thought that splitting the DCI from CIA was important. That is overdue. A number of other reforms cannot happen until you do that. That said, when I see the recommendations for what goes along with the DNI, I am a little worried about all the baggage you are about to pin to it. I would just say make the change, but don't put in concrete what goes under the DCI and what his powers are, because you may need to modify these with experience. I think the odds of taking such a big step and getting it right with a draft up here are very poor. Therefore, leaving it fairly minimal and allowing for change and correcting feedback over time strikes me as the wisest way to go.

Let me give you an example on money. I completely share Dr. Hamre's concern about budget execution authority. Let me explain from one who is on the other side in the executive branch looking at budgets compared to your position here.

One of the most enlightening things that occurred to me was to discover I was dealing with three budgets all the time. You are dealing with a budget that is being executed, that has been written into law by you. It

cannot be spent where you did not say spend it. There is a little room, discretion, for moving a few dollars quarterly back and forth, but not big money. If we want to move big money around, we have to come back here and get reprogramming authority. Anybody in NSA, DIA or any other part of the Intelligence Community that wants to do that had to get DCI's permission when I was Director of NSA. So that is a fair amount of power over the execution.

Who, the DCI or NID, or whatever-you-want-to-call-it's power will be enhanced by having execution authority strikes me as very problematic and unlikely. Why would he want his accountants in on top of the accountants in the Defense Department, the State Department, and other places arguing about what is going to be done anyway? I quite agree this is creating ambiguous authority, and you may have a bigger mess there than you anticipated.

The second budget is being defended before you in Congress throughout this year. You will pass that into law sometime later this year.

The third budget is the program budget being built by the administration, by the DCI today, to come over next year. In that context, the DCI has enormous power. If he wanted to move millions of dollars around in my agency, he could do it. I look back in the history of this, and at

least by 1970, a memorandum was signed by President Nixon giving the DCI full program management of the national intelligence budget, foreign intelligence budget, for him to manage that budget, and every President since then has reconfirmed that. I do not know about the present incumbent, but up through the Clinton administration that was the case.

My experience was that the DCI did not have the Defense Department's planning program budgeting system with output program categories. Therefore, he could not align the inputs of money to the outputs of intelligence, and that is why that process was never used effectively. In my book I advocate ways to do that. So I think the power is there. The question is how do you do it. As I say, the way the NRO was funded is a major obstruction to the DCI being able to do that.

I would encourage you strongly to look into how that arrangement works and how the DCI operates, and I suspect you are going to find that the new Under Secretary for Intelligence in the Defense Department now has become sand in the fears of trying to make that work. I am not sure. I don't have firsthand information on that. But I don't see how he could get very deeply involved without being a problem.

The further thing on the budget I would like to say

is that I was always surprised that you in the Congress did not ask the DCI and members of the National Foreign Intelligence Council, the Director of NSA, DIA, and all the other major agency heads to come over here and show you a program budget that has output programs. You have never done that. The five programs that make sense for you are SIGINT imagery and HUMINT. Those are the collection programs. Then you need an analytic all-source analysis program, and you need counterintelligence programs. Those are the outputs.

Often I have heard members of this committee say, there is too much money going to the Defense Department intelligence. I don't think you know the answer to that, because the money may go in there, but there are times when 60 to 70 percent of NSA's output is being used by non-Defense agencies. So we don't know whether it is going to civilian use or military use or what, because we don't have that arrangement. As I say, I think those things could have been fixed by Executive order long ago.

Now, to the things to empower DCI, what kind of bureaucratic ballast to give him. If you take the Directorate of Intelligence out of CIA with the DCI under the National Intelligence Council, then he will have the major analytic element to run the community's analysis. And instead of acting like one of the kids on the

playground fighting with all the other kids in DIA, this, that and the other, it comes above these and cooperates with them, and it should not try to do everything. It has tried to do everything, and therefore it doesn't do a lot of things very well. It could then, on an issue-by-issue decision by the Director of National Intelligence, go through this task for a while. If it is terrorism, find out where it ought to be located, how it ought to be organized, and get it started, involving all the other analytic communities in the community, but don't become a standing bureaucracy that it would be under the 9/11 Commission's report. When it organizes that set of analytic centers, they are just going to become DIs that are not relevant to the rest of the community, because they don't work for anybody. They work for whom they choose. If you are in the military, you are the G-2 or J-2 or intelligence officer, you are going to be trying to deliver intelligence. INR-State works for somebody. They are going to have to deliver intelligence.

So, I see a real problem in those centers. While it purports to be a kind of Goldwater-Nichols joint approach to intelligence analysis, I think that concept is misapplied here fundamentally. I do think the joint approach makes sense, but this is not the way to make it joint.

The way to make it joint is to treat the -- you need a national manager that manages all the SIGINT, another one that manages all the imagery, another that manages all the HUMINT, and the CIA's DO is clearly the national HUMINT chief. It should be operationally in control of all the Defense HUMINT, and it was in my day, and we had almost as many case officers in the Army's service at that time as the DO did. But the DO was never interested in treating us like the Director of the National Security Agency treated our SIGINT elements. If you took that pattern and caused them to go together, I think you would start getting joint operations of the kind that would be productive rather than not productive.

The other side of the analysis that the DNI needs is a resource management base. He has a community management staff. As I have said in my book, my experience has been that as a parliament. The members of the community send representatives or people to serve on that staff. They are there largely to make sure it doesn't do any harm to the agency's own parochial interest. I would not have a staff of that sort. I would break it down into four subunits and reorganize it entirely and make it a staff that does the program planning budget management, a policy staff, a security staff, and an S and T staff section. That, I think, could be very powerful.

Now, whether you want to give me personnel authority, I think any DCI who wants to effect the job, if he wants to see an incumbent removed from NSA or DIA or NGA, would not have much trouble going over and talking to the Secretary of Defense or the Chairman of the Joint Chiefs and causing that to happen. Furthermore, I am not sure he would have the window into the pool of general officers and admirals that would be available for these appointments to make the wisest solutions. Therefore, having some kind of maybe veto of power over the nominations might make some sense, but directly nominating those, I think, can create real problems.

Now, let me address the final point that Dr. Hamre brought up of pulling these agencies, NSA, NGA, out of the Defense Department. I greatly respect his judgment on budget matters and defense matters. On this, I am really surprised. That would be the last thing I would do.

Let me tell you what I think would happen if you did that. There is a deep resentment in the military services that NSA and NGA spend a lot of their effort for civilian agency intelligence consumption. They say, why should we have soldiers, sailors and airmen -- we are paying for them up there working. Why aren't they working for us? That was always a contention at NSA. There is a tendency not to trust these national agencies that they will be

there with you when a war starts. Their experience with the CIA has frequently taught them that lesson, and they have been taught it again and again. I think you will see the services creating their own new NSA, their own new agencies. You are going to end up with a big mess.

I am impressed with the evolutionary development of the community over the years. If you look at where it was in the 1950s and 1960s and see where it has arrived, we are not far. With some small changes, you can go pretty far in fixing these issues. The first one is just to make this separation. You could simply amend the 1947 act to separate the DCI from the Director of CIA, and you would have a structure that could do all the things I have suggested. I would strongly recommend that.

Now, let me end my remarks with a brief pitch for an issue you are not raising, which I think is far more critical to fixing the post-9/11 problems than this one, and that is counterintelligence. As long as the FBI has counterintelligence, you will have poor counterintelligence. No agency with arrest authority will ever share intelligence. They are users. It is not their fault. If they are good policemen, they are not going to give the intelligence away. You are just asking an organization to do something that it is not designed to do. You would not ask the Washington Redskins to move to

the American Baseball League. If they did, you know they would be in the cellar. That does not mean they are not good football players.

But I think that is the problem there. We have huge amounts of experience. It has been proven and proven again. It is not one where we don't understand the issue. It is one where we do understand the issue. I think you should take it out and create a national counterintelligence service and put it on a coordinate level with the CIA under this new chief.

That is another reason you need the separation. He needs to have that. That also gives him new ballast. So there is plenty of ballast. I would not want to overload him by pulling these things out of the Defense Department and breaking down his requirement for a cooperative relationship for the overwhelmingly largest user of intelligence; that is, the Defense Department and the military services. Nobody comes close to the level of consumption of intelligence that they do. We tend to forget that. And nobody puts more people into it than they do. Over two-thirds of the personnel of NSA are uniformed, and I don't know what it is in NGA, but I suspect it is somewhere close to the same amount.

So, summing up, I would say the most urgent thing is the counterintelligence issue. The second, yes, do it,

create a separation. Go slow on what you do underneath the DCI and what you give to him.

But it is clear there are three functions: resource management, analysis and production of intelligence and collection management. He has those three now. He doesn't do them very well. But if those are exercised well, there are a lot of powers over all these agencies.

Thank you.

The Chairman. Thank you very much. That was very definitely a strong addition, as was Dr. Hamre's, to the number of things we have to consider.

[The statement of General Odom follows:]

******** INSERT 1-3 ********

The Chairman. Our third panel member, Dr. Michael O'Hanlon, is a Senior Fellow in Foreign Policy Studies at the Brookings Institute, where he specializes in U.S. Defense strategy and budgeting, homeland security, Northeast Asian security and humanitarian intervention, which obviously means you are very busy. He is also an adjunct professor at Columbia University, a visiting lecturer at Princeton University, and a member of the International Institute for Strategic Studies and the Council on Foreign Relations.

Mr. O'Hanlon has authored and coauthored numerous books and has published several recent major articles.

Mr. O'Hanlon, we welcome you to the committee. We look forward to your testimony.

STATEMENT OF MICHAEL O'HANLON

Mr. O'Hanlon. Thank you, Mr. Chairman, Congresswoman and other Members. It is an honor to be here today on this important topic with these fellow panelists.

I would like to talk briefly about the question of imagination; spending less time myself on the bureaucratic reorganization issues, but trying to finish up with a couple of observations on that.

My broad theme is I think the 9/11 Commission report is correct to emphasize imagination in regard to this particular tragedy that was not averted, and, as Dr. Hamre said, the connecting the dots image is one that did not happen here, and it does help explain what went wrong.

But it is not always the problem in intelligence. There are other problems that can arise as well, and we want to keep that in mind as we think about restructuring and reprioritizing. Let me say just a few words about what I mean going through a couple of recent cases of history just to set the stage for that argument.

One, first of all, to agree with the Commission, it certainly is true, we could have used more imagination. We have all read the report. We all know the basis for this argument. For example, the 1995 Manilla plot that

was intended to hijack 12 airliners and crash them should have told us all, Clinton and Bush administrations alike, Republicans and Democrats alike, all of us should have been a little more sensitized to the fact that hijacking might not be the same in the future that it was in the past.

Whether or not we could have taken realistic steps that would have prevented 9/11 is another question. But, nonetheless, there was a failure of imagination. There was not a lot of discussion, and I plead guilty here as well as a person in Washington doing national security work at that time. There was not a lot of discussion about whether we should think hard about changing the way we would address any future hijackings.

Other examples where the Intelligence Community and the National security policymaking structure in this country didn't have enough imagination, the North Korean ballistic missile threat, where I think the Rumsfeld Commission got it right, and the Intelligence Community did not. We assumed up until that point it would take many years and a long program and the kind of testing we do here in the United States to develop a long-range ballistic missile, but people like Donald Rumsfeld and Barry Bleckman and Richard Garland on this Commission said, no, the North Koreans just need one test, maybe not

even a successful one, and, lo and behold, they have got something for us to worry about, because they don't need to be as accurate or reliable to have a threat the way we would want to have a reliable, accurate missile in these long-standing U.S-Soviet nuclear competitions. So, again, there was a lack of imagination to think that North Korea's needs might be less than ours.

Going back a little further in history, we all remember the case of Iraq in the 1980s, up until Desert Storm. We failed to imagine they could use simple, old-fashioned technology like we had used in the Manhattan Project to try to develop fissile material for nuclear weapons. We assumed that if they were going to do something, they would do it more along the lines of a state-of-the-art technology, so we monitored those kinds of technologies going into Iraq, ignored the possibility they could actually be constructing devices that Congressman Holt and others can tell us about, old-fashioned nuclear technology, perfectly capable of producing small amounts of fissile materials for a bomb. We got that wrong because we did not imagine well enough.

So there have been failures of imagination, and that is an important risk in intelligence. But there are other kinds of failures as well, and some of them, as Secretary Hamre mentioned a moment ago, almost the attention -- if

you try to fix the imagination problem, you may actually risk making other problems worse, or at least ignore the need for other kinds of attention.

Let me give a couple kinds of examples of what I mean. One is a failure of judgment. We have failures of judgment all the time. This is inherent in the nature of intelligence. After all, we are trying to predict the future with intelligence, and, as Yogi Berra points out, that is the hardest kind of predicting to do.

You are going to get it wrong sometimes. You are dealing with human beings who have not always made up their minds of what their next step is. You are trying to divine their intentions. They may not even know their intentions until they have actually taken an action. So how can we always be sure we are going to predict who is going to attack whom, when and how? It is just not going to be possible.

An example here, of course, is the Iraqi invasion of Kuwait, where I doubt very much we needed more imagination to realize in 1990 that it was a possibility that when Saddam was moving a lot of divisions southward toward Kuwait, he might actually keep going across the border. I doubt very much people failed to even contemplate that possibility. Most of them thought it wouldn't happen. Most said, no, what it probably is, it is a threatening

move by Saddam to force Kuwait to negotiate over the disputed border or the disputed oil well, and, therefore, we are certainly of aware of the possibility of an invasion. We don't think it is going to happen. That is a failure of judgment, not a failure of imagination.

Another example might be the Indian and Pakistani nuclear tests in 1998. We had known for a long time they had nuclear weapons programs. If you have a nuclear weapons program, there is always a possibility you are going to test. So it is not an a failure of imagination to think they are not going to test in 1998, it is simply a failure of judgment. We didn't think they would assess the benefits of testing as worth the cost. We were simply wrong on the judgment. So that is another kind of failure. A failure of judgment is at least as possible as a failure of imagination.

Then you have failures of insufficient focus or attention. Here I would argue we are actually risking making some of these problems worse or not fixing them. If we just worry about fixing imagination, we may forget to fix the need for focus. What are a couple of examples here?

Well, General Odom mentioned the FBI. I agree with his concern that the FBI is not going to always be a sufficient capability on the ground in a city to prevent a

terrorist strike. A lot of times we are talking about truck bombs and al Qaeda cells. We know what the ingredients are: Truck bombs, ammonium nitrate or various kinds of explosives, plastic explosives that could have been stolen, gasoline that could be used as an explosive, trucks and vehicles that could be used to deliver it.

We know the possibilities. It is not a problem of imagination. It is a problem of having enough police officers and counterterrorism units to stop them, to actually do the casing, to do the local beat work, have a sense of who these people are. In New York City they do it. In Washington they do it. In most other cities in the country they don't.

I know many people on this committee are at least as familiar as I am with the preparations that cities like Chicago and Los Angeles have made. New York City has about 500 police officers focused on local counterterrorism. Chicago has less than 10, from what I am told. Los Angeles has about 30. This is entirely disproportionate. Either New York has gone crazy and is just losing perspective, or Chicago and Los Angeles are being remiss. And is it a failure of imagination? I don't think so. In Chicago and Los Angeles, they know that al Qaeda is out there, they know what the truck bomb threat is, they know the other kinds of threats we may

still face. They are simply making a judgment call that they don't need to worry about this too much at their level, or they don't put resources into it, or we as a Nation don't help them from the Federal level. So I think it is a failure of judgment or a failure of budgetary focus and national focus, not a failure of imagination.

Another example, less in the sphere of intelligence, but more in the sphere of homeland security, is how many containers we inspect coming into country. Yes, we have increased the number of containers that we are inspecting. Yes, there are some very good ideas out there for container security, like the Container Security Initiative. We still just don't have enough capacity.

I think everybody on this committee and most people in the country recognize that a container could be used to bring in explosives, to bring in a surface-to-air missile, to bring in biological materials, to bring in radiological devices. It is not a problem of imagination. We know the possibilities; we are just not allocating enough attention, focus and resources to address the problem. So I don't think that imagination should be seen as the be-all and end-all in preparations for proper intelligence or homeland security.

To pick up on the Iraq case very quickly, Secretary Hamre talked about groupthink being a problem there. You

could also say in Iraq, in regard to Iraq in the recent conflict, we had too much imagination. We imagined things that were not there.

I don't mean this in a disparaging way, and I don't want to reignite partisan debates about weapons of mass destruction. I actually respect the Bush administration's willingness to imagine bad things that might happen. With Saddam Hussein there was ample reason to let your imagination go. After all, this is a guy who had figured out ways to do nuclear weapons programs on the sly in the 1980s. This is a guy who tried to assassinate former President Bush in 1993, even though if he had been successful, there is a very good chance it would have led to the overthrow of his regime, and yet he did it anyway.

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DCMN MAGMER

[10:10 a.m.]

Mr. O'Hanlon. So it was right to be imaginative and to assume that this person might do things that a rational person might not and that we didn't have evidence to prove. So I don't want to be too hard on the Bush administration, but they let their imaginations get a little carried away, and so did the intelligence community perhaps. That is a different way to describe the problem than to say it was a group thing.

But we saw a little bit of a possible pursuit of a centrifuge technology and quickly imagined the existence of a near-term nuclear weapon. We saw a couple of contacts between al Qaeda and lower-level Iraqi intelligence officers and assumed possible Iraqi collaboration even in the 9/11 attacks, and we described the Iraq war as part of the global war on terror.

This is obviously all subject to debate, and we have had a lot of that debate in this committee, and it has been very useful to the country. I respect the fact that one can have different views on this question. But from what we know right now, the Bush administration imagined too much. And does that mean it ultimately made big

mistakes in policy? We can, of course, always debate that, too.

I would submit it may have led to a little bit greater haste in going to war than we might have needed and might have ideally been well suited or served by. Because if we had realized we had a little more time we might have worked harder to build a coalition, and that might have helped us more in the aftermath.

I don't mean to refocus on that debate, but let us say simply that, in regard to the Iraq problem, we may have had too much imagination.

So what does this all mean? I am not going to try to draw too many more conclusions, and I look forward to the discussion in any event. But maybe just two straightforward points.

One, let us not forget that putting resources on problems we already know about is a big part of the challenge here. New York and Washington should not be the only cities in this country that are serious about tracking al Qaeda cells within their jurisdictions, about having the capacity to do Orange alerts and Red alerts without bankrupting their police forces and calling in the National Guard.

We need more people doing this sort of thing and preparing the local infrastructure to do it. This may

require Federal help. I don't know how much more Federal help is appropriate. It may simply require the State and local jurisdictions simply to take the problem more seriously. It is not a problem of imagination. It is a problem of getting on with a job we already can imagine to be necessary and know to be necessary and simply haven't been focused enough. That is point one.

Point two, we need a way to structure and constrain and channel our imagination. Because not every possibility that we can think of is equally plausible or equally worth preparing against. So we need people who are serious about doing this and doing it well and in a part of the intelligence community where they can red-team or team B in a serious, structured way.

I will leave simply with this thought -- finish my opening comments with a thought. I don't see enough evidence that we have a strong red-teaming or team B system in the intelligence community today, and I haven't seen much in the 9/11 Commission Report that would fix that. We are talking about higher-level superstructure, not so much capacity at the level of smart people sitting around and thinking what might al Qaeda do next. On the one hand, they might use truck bombs, and that is probably the most plausible thing. We have got to worry about that. They also might try to attack chemical facilities.

They also might try to attack trains. They also might try to put anthrax in the air circulation systems of large skyscrapers.

We need people going around not just imagining the possibility but doing it in a structured way that then allows them to assess the risk to the country of that kind of attack being successful, what it might do, how many casualties it might cause, what we can realistically do about it, to channel our imagination in a way that is constructive, instead of just always trying to write the next Tom Clancy novel, which is sometimes how I feel we are trying to think about homeland security. Either you deal with truck bombs and airplanes, or you are trying to imagine the next incredibly outlandish attack. And that is sometimes the way the debate sounds.

I think we need people who are professionals at being imaginative but doing it in a way that builds on what we know about technology, what we know about the real risks to our infrastructure, and structure that so that we get policymakers and intelligence officials with serious speculation about what might be the next threat, instead of just random, disconnected speculation.

So more resources for local police, local intelligence work on the one hand and more red-teaming on the other. Those are the two broad conclusions I arrive

at.

Thank you, Mr. Chairman.

The Chairman. Thank you.

[The statement of Mr. O'Hanlon follows:]

******** INSERT 2-1 ********

The Chairman. I thank all the members of the panel. That is a broad spectrum of input and very helpful to us, as I hoped it would be and expected it would be. So I thank you.

At this time, I am turning to the distinguished gentleman from New York whose real estate we are occupying today; and thanks to Chairman Boehlert of the Science Committee and the United States taxpayers for providing us this excellent facility today. Mr. Boehlert is going to be recognized for 5 minutes.

Mr. Boehlert. Thank you very much, Mr. Chairman, and thank all of our witnesses. You have done exactly what we hoped you would do. You brought your considerable experience and expertise to bear on the subject, and you are giving us straight from the shoulder, unvarnished advice, and I appreciate that.

What I would like to have everyone recognize from the outset, as I know you do and the members of this panel do, we didn't just start recognizing that there is a problem in intelligence and there is a need for restructuring because this excellent report from some very dedicated and productive Americans came out. There are activities already under way.

For example, we have established the new Department

of Homeland Security, 22 separate agencies, 180,000 people. First and foremost, their commitment is to protecting us at the homeland. We have got the FBI in the final phases of its total restructuring, and I note the 9/11 Commission applauded what they are doing. We have the Terrorist Threat Integration Center established. We have the PATRIOT Act, the law of the land. While there are some questions about certain provisions, it is giving more effective enforcement tools to our law enforcement officials. And we have the largest budget submission in the history of the republic for intelligence submitted to the Congress, and this Congress is in the process of reviewing it.

So there are a lot of things being done. A lot more needs to be done.

Let me ask all of you. You have digested the 9/11 Commission Report. You know that their recommendations in almost every instance mirrored the recommendations made by the joint intelligence committees of the House and Senate, which we all served on, 14 months of total deliberations, issued a report last May. Are there any recommendations that we made or are there any recommendations that the 9/11 Commission made with which you disagree strongly? Dr. Hamre?

Mr. Hamre. Well, I disagree quite strongly that we

ought to put the DNI or IND in the White House. I think that is a bad idea, and I think for a combination of reasons. You know, the closer you get to the President, the more political the job is. You want it that way. I don't criticize that.

Mr. Boehlert. So then you agree with the President's response to that?

Mr. Hamre. I do. But, again, I think we have got a pretty weak outcome from the way we are doing it. But you do not wanted to create it and put it in the White House, and you do not want to -- because you will create a competitive power center against the national security adviser. And you are also going to be bringing, frankly, covert operations into the White House. Not a good idea. So that I think is a -- personally, I don't think it is a good idea at all.

Mr. Boehlert. General, you are nodding your head yes. Let the record show that General Odom nodded his head yes.

General Odom. Yes.

Mr. Boehlert. Would you respond to that?

General Odom. I agree with that concern. I also have other problems with it.

Mr. Boehlert. All right. But serious ones. Because --

General Odom. Well, the serious ones are these three deputies, which Dr. Hamre mentioned earlier, boggle my mind. If you try to imagine how they are going to deal with the disciplines of SIGINT, IMINT, and HUMINT, I don't know how they are going to do it. These take great technical competence. There is so much difference in the culture of a SIGINT organization, an IMINT organization and a HUMINT organization. The idea that you just push them down here and put one deputy from one place to sort of scramble them, their activities, suggests a very high level of ignorance about technical collection management, what goes on underneath.

And if you look at what Chairman Goss had mentioned earlier about the things that have gone on in the community earlier, if we -- we have had a general trend that first was in SIGINT when we put it together in 1952, the National Imagery Agency, and it was a -- I mean, the National Security Agency. Military services opposed that strongly. It was a great step forward. We didn't get the imagery together until 1997, but the technical reasons for doing that have been there for a long time. I testified back in the 1980s before Senator Borne on that. He proposed it. It finally has come about if you look at the -- and you are pretty close to having that kind of system with the DO in CIA.

And Dr. Hamre said that he thought that moving the DCI away from CIA would weaken it. I think if you suddenly have the DCI -- I mean, the director of the CIA is essentially the head of the clandestine service or whatever other technical other support he needs. So I see that in some ways enhancing that role.

Mr. Boehlert. Mr. O'Hanlon, do you have any observations, any areas of strong disagreement?

Mr. O'Hanlon. I simply agree very strongly with Dr. Hamre. I am very much of the same opinion.

Mr. Boehlert. So all three of you share the view that the new national intelligence director should be outside the White House. The reason I ask that question -- and my time has expired -- because there are some people around the country, understandably, who want us to rush to judgment and do it instantly. You have got an excellent report, hard work, dedicated Americans, bipartisan basis following on the report that we did on a bipartisan, bicameral basis. And people say we have got all the answers to all the questions, now let us go forward instantly. Reconvene Congress tomorrow, pass it, and our problems are solved.

That is not the way it works. It works this way. We have got 15 separate committees having hearings, Armed Services Committee, Intelligence Committee, House, Senate.

We are very serious about this business. We are bringing in some of the best experts in the country to give us counsel.

Now we are all applauding the outstanding work of the 9/11 Commission. Quite frankly, it got off to a little bit shaky start, but it ended up beautifully, and I stand up and salute every single member. But we have got to be thoughtful as we go forward; and, in the meantime, we have got to continue the action already under way to significantly improve intelligence.

I have got a lot more questions, but my time has expired. Thank you very much, Mr. Chairman.

The Chairman. Ms. Harman, the floor is yours.

Ms. Harman. Thank you, Mr. Chairman.

I appreciate the comments of all witnesses but particularly those who have noted that we do so much of our work in secret and that there are very hard-working members on this committee. There are very hard-working members on this committee on a bipartisan basis, and we have most of the committee here today in the middle of August, and I really want to commend the members of this committee for the work that they do.

I also want to add that we should do less of our work in secrecy. This is one of our few public hearings. It is a good thing. People should understand what we do. I

feel strongly and expressed my view earlier this year that the legislative portions of our authorization bill should be marked up in public. They are public legislation. We don't do secret legislation in this country. I think we should be doing more in public, and I am happy that those in this audience and those perhaps watching television are listening to what we are doing today.

Let me add further that there is a practice here called the Gang of Four, which means that only the Chairman and Ranking Member of the Senate and House committees get briefed on certain issues. I believe that should be changed as well, and all the hard-working members of this committee who are capable of keeping our Nation's secrets should be included in that kind of work.

Having said that, thank you all for coming. Dr. Hamre and Dr. O'Hanlon, you are part of really wonderful institutions, CSIS and Brookings. Many members of both are at a conference that I left briefly to come back today. It is on the challenge of proliferation sponsored by the Aspen Strategy Group, and I am always impressed by how brilliant and helpful they are as we try to do the right thing in policy terms.

I would like to talk specifically about Goldwater-Nichols, which is the centerpiece of the 9/11 Commission report. Goldwater-Nichols is the law that passed in the

mid-1980s that created jointness among the military services, so we don't fight an Air Force war and a Navy war -- and Dr. Hamre is nodding because he was on the Senate staff at that time -- and a Marine war and an Army war. We fight one war with a unified command.

Goldwater-Nichols, that approach of jointness, is what the 9/11 Commission has recommended for the intelligence community. And, by the way, Goldwater-Nichols, that idea of jointness, is the centerpiece of H.R. 4104, which would set up this unified command, the national intelligence director, outside of the executive office of the President. That is the primary difference between our legislation and the 9/11 Commission recommendations. And, as we just heard, I think our panel here today agrees -- or at least two do. I am not sure what you said, Mr. O'Hanlon. Are you nodding or are you not nodding?

Mr. O'Hanlon. I agree.

Ms. Harman. You agree, too, that it should be outside the executive office of the President.

Dr. Hamre, you served on the Senate Armed Services Committee when the Goldwater-Nichols Act was developed and passed. You also served in the Pentagon in the years when the Act's reforms really matured. One of the principal reforms was to restrict the services to the role of

organizing, training and equipping forces to be so-called force providers, while the combatant commands could mix and match these forces to create combat teams tailored to the mission at hand, not just tailored to the mission of counterterrorism, but tailored to whatever mission was at hand.

And there I take issue with something you said earlier, where you said the 9/11 Commission fix was just for one problem. I think the fix could apply to any problem, because Goldwater-Nichols does.

At any rate, I would like to ask you, how has Goldwater-Nichols worked? And do you see advantages in applying this notion of Goldwater-Nichols to the intelligence community?

Mr. Hamre. First -- and, Ms. Harman, let me thank you for the nice compliment about CSIS and Brookings. You should also compliment General Odom at Hudson, because they do fine work; and, of course, he is one of the town's just greatest intellects on intelligence issues.

Ms. Harman. May I just interrupt that I stand corrected. The only reason I didn't do that, General Odom, is there are no Hudson folks at this conference. But I really appreciate what you do.

General Odom. I am not offended.

Mr. Hamre. Yes, I was on the committee staff at the

time we did Goldwater-Nichols on the Senate side; and, of course, the House Armed Services committee worked on it over here.

You know, there was a very important -- it is not well understood that -- and you have highlighted it. The key to the success of Goldwater-Nichols was that it institutionally strengthened the voices in the department that demand better capability, and it took that away from the side of the department that supplies capability. And I think that is a crucial thing. It is not understood. It isn't -- you can't get better quality by simply arranging the supply side of the equation. And so it is very important to create demand institutions, as it were.

Now, how did it work in DOD? Well, it worked in two ways. You strengthened the -- well, three ways. You strengthened the status of the chairman of the Joint Chiefs and made him a far more powerful figure and gave him a deputy who is not number six but the number two on the Joint Chiefs.

Second, you institutionally elevated the unified commanders.

And, third, you made a requirement to become a general officer, that you had to have joint duty service with another -- in another -- in a job that gave you experience with other services.

The third is an extraordinarily important dimension and something, by the way, you should seriously consider. I think, for example, you should seriously think of having a requirement you can't become a Senior Executive Service member until you have served at least 2 years in another agency.

Ms. Harman. Excuse me. That is in our legislation.

Mr. Hamre. I apologize.

Ms. Harman. And we also include a piece on mandatory red-teaming as well to make absolutely sure there are competing ideas out there and less group think.

Mr. Hamre. So you have already studied it, you understand it, and you have evaluated it. I apologize for not having been aware of the detail. But a very important aspect of it. That is what I think you need to do, put emphasis on demand.

By the way, and may I say it and for the risk of offending you, you up here on Capitol Hill have to do this, too. You have got to be insisting more on overseeing the output of this department, not just simply looking at all the little budgetary inputs. There is far too much preoccupation with competing with the appropriations committees on moving dollars around. I am sorry to offend you.

Ms. Harman. My time is up, Mr. Chairman. I just

would welcome, though, comments by any other witness to the question I put to Dr. Hamre.

General Odom. I would like to -- you can make a mistake in applying Goldwater-Nichols if you just -- if you apply it the way it is done on the national intelligence centers in the 9/11 Commission. The core, the gut of the intelligence community, the collection agencies. There is nothing to analyze unless you collect. We have to get the organization and the function of the collection organizations right, or you won't have anything else to do. So you start there. Do not break those up. They are different -- they are like the military services in some ways. They do recruit, train, deploy, but they also have to operate their forces in intelligence combat. You can't sort of push off part of NSA and send it out to another place and break its connection back with the main headquarters. You can't do that with the DO at CIA, the clandestine services, and you can't do it with imagery.

One of the great advances in intelligence collection has been learning to use technology and force organizations to link and integrate tactical level intelligence needs and collections with national level.

When I first came in to NSA, that was a huge problem to get people to face up to or to make steps toward -- they were making progress toward it. There was almost --

there was none in the imagery world, very little in the HUMINT. Now we made progress. There is a lot left to be done.

I said earlier I object to the way the 9/11 Commission organizes the hire, train, equip and field part of the national intelligence director's organization. To me, that is misapplying this rather fundamentally. So I just wanted to emphasize that about applying the Goldwater-Nichols joint approach to the intelligence community. There are fundamental differences.

Ms. Harman. Mr. Chairman, my time is up. But I would just say to General Odom that we, in my view, fight separate SIGINT, HUMINT, IMINT, MASINT wars now, and the goal is to fuse our collection so that we have the opportunity for better analysis and better decision making.

I am sure we can carry this on in the next round of questions. Thank you, Mr. Chairman.

The Chairman. The gentlemen from Nevada, Mr. Gibbons. Welcome, sir.

Mr. Gibbons. Thank you very much, Mr. Chairman. I want to thank you for calling this hearing. I also want to join with my colleague from New York and his eloquent comments regarding the 9/11 Commission as well as the hard work that this committee and the Senate committee has done

over the years trying to reform our intelligence community and trying to have a solid input into the outcome of what they do.

We have held hearing after hearing. We have made recommendation after recommendation. I think you can read in the open and unclassified documents of the reports of this committee, including all of the legislative recommendations we have made over the years, and I would hope that you have done so, because I think it gives you a very broad picture of how interactive this committee has been with the intelligence community over the years.

I have to agree, Dr. Hamre, that ambiguous command and control is something that we want to avoid; and I think we set that up in 1947 with the act. We set up our national intelligence structure to be competitive with each other. We wanted to encourage competitive analysis from different agencies, and so we set it up that way in 1947 based on a Cold War structure.

Today, I believe, in order to defeat terrorism, we are going to have to think beyond the bureaucratic reforms that we are looking at today. We are going to have to think even beyond military force if we want to defeat terrorism. So we are going to have to be cooperative, we are going to have to be collaborative, we are going to have to be creative in a new global strategy on

intelligence. And, like you say, I don't think there is, nor should there be, a headlong rush to create a weaker, a more ambiguous, less defined intelligence agency through some nomenclature about who is going to be in charge of what. I think we have to be thoughtful and creative and concise in what we do, and I think that is going to take time.

What I would like to do is ask Dr. Hamre, in your evaluation, in your experience over years, coming from the DOD user end picture of intelligence, where do you see the breaking line, the dividing line between tasking of intelligence requirements and setting those requirements or the policy of those requirements? Is or should DOD be the person in charge, or should the NID, NDI, whatever you want to call him, national director of intelligence, the CIA director of intelligence, DCI? Where is that breaking line?

Mr. Hamre. Sir, first of all, you have asked one of the hardest questions, I think, because it is at these very deep engineering details of how you want to structure a community.

We need to separate, I think, the tactical intelligence that we need from kind of the strategic national assessment that we have to have. They are both very important functions. General Odom was shocked that I

had suggested potentially moving the collection agencies under DNI; and, you know, I must say I am ambivalent about it myself. In my own written testimony, I oppose that. But if you are going to have a weak DNI, that is the only I think you can to strengthen it; and we can debate over whether that is a good thing.

You would lose a great deal if you segment and separate the tactical intelligence collection from the tactical warfighting. We have to have that, and that has to continue. So that the tasking I think needs to be -- the question is, where is it discretionary and where is it automatic, where you have to have -- you have to have it automatic for tactical purposes. You can't set up a decisionmaking structure that intervenes when you are trying to get signals intelligence about a new radar that pops up on the battlefield and to a shooter on the battlefield.

I think you do want a tasking authority resident with the DNI. I think it ought to be with the DNI. I think the DNI's power or DCI's power ought to rest in that individual's capacity to integrate across the full government. I don't think that ought to be DOD's job. I mean, DOD is a very important claimant in that process and needs help and needs support, but it has to be integrated across the broad ranges of the government, and DOD is just

too segmented a part of that I think to be the resident space for that function.

You know, the only two places you are going to put it is either in the national security adviser or in the DCI, and I think it obviously needs to be in a strengthened DCI, DNI, IND, NDI, whatever we are calling it.

So to your point, I -- and General Odom's point -- I absolutely think that ought to be the core of why you want a stronger DNI, is -- and grounded on that capacity to be authoritative. Right now, it is a -- that is a weak dimension to the DCI's authorities; and his authorities and, frankly, his political power rest really almost entirely on his role as the CIA director. So I agree with General Odom that there is a lot of potential there. I personally doubt with our history you can grow to that just by itself.

Mr. Gibbons. Mr. Chairman, I see that my 5 minutes went by far too quickly; and, hopefully, we will have a second round because I do have questions of the other two panelists.

Thank you all for being here today. I certainly appreciate your testimony.

The Chairman. Thank you.

The gentleman from Texas, Mr. Reyes.

Mr. Reyes. Thank you, Mr. Chairman.

I, too, wish that time had continued to tick for you, Mr. Gibbons, because I was desperately looking through a book that I just finished reading that I don't know if you gentlemen have read that pretty much sets out -- and I couldn't find the passage, so I will have to dig through it later -- that sets out that we are in a different kind of war with a different kind of strategy that not everyone has fully understood.

But I was struck by, in reading your opening statement, General Odom, that you made some observations. For instance, policymakers also, quote, unquote, lack imagination. Intelligence providers cannot compensate for unimaginative and uninterested users of intelligence, nor can they compensate for ineffective policies. Both 9/11 and the judgments about Iraq were primarily policy failures and, secondarily, intelligence failures.

You go on to say that: No one asked, what if we do not find WMD in Iraq? What if al Qaeda has no ties with Iraq? What if al Qaeda comes into Iraq after a U.S. invasion? And then some other questions in there. And you concluded by saying: The imagination problem therefore should first be seen as a deficiency in political leadership.

And I wanted to highlight those statements of yours, because I wanted your comment on a couple of different

issues, and I will get to those in a minute.

The other thing that I wanted to point out in your statement is where it says, no organization other than the White House is in a position to force it to be responsive.

Again, we are talking about the intelligence and the accountability; and presidents and their staffs are no notoriously poor at holding the CIA accountable.

That is from your statement, General.

So the questions that I have -- and I want to make a statement before I ask you this question. There were a number of us that did ask in hearings those very questions. I, for one, was one of those. But I was more concerned from getting our troops involved in the kind of warfare that they are now involved post-conflict. So my rationale for asking those questions was wrong, but nonetheless those questions were being asked. In fact, our ranking member on the Armed Services went so far as to send two or three letters to the President setting out those very concerns that a lot of us were expressing in the hearings.

But the questions that I have for you are, how do we fix the issue of lack of imagination and lack of accountability for us in Congress? I also made note that in the 9/11 report one of the digs was against us in Congress that we have not done good oversight, that we

have not held the administration accountable for some of the misjudgments and missteps that have gone on. So my question is, how do we hold ourselves accountable for that lack of oversight, lack of imagination, however we want to phrase it?

And, secondly, when you talk about the lack of accountability, when I have talked to a number of families affected by the families affected by the 9/11, that is the one thing that they always make mention and leave us just grasping for an answer is why has no one been held accountable? Why has no one been fired or no one somehow stepped forward and taken responsibility?

So if you can touch on those two questions, I would appreciate it. And, also, the other two members of the panel, I very much appreciate your input this morning as well.

General Odom. The first question of how you hold them accountable. In the military, we relieve commanders when things go wrong; and it doesn't matter whether -- you don't give him a judicial process to decide whether he can be held accountable. That is just part of the job. If you take the responsibility, you can be arbitrarily summarily dismissed. If a ship captain runs his boat aground and he happened to be asleep in the workroom and a lieutenant is on the deck who actually ran it aground,

they don't fire the lieutenant, they fire the ship captain. I have seen people relieved in Vietnam for things that you would not believe would require that desperate an action. We don't seem to do that at the higher levels of responsibility.

I said after 9/11 that no matter whether, specifically, the incumbents in the major intelligence organizations, the community, were culpable, the President should have had them all relieved right then as just a signal that this is not business as usual from now on.

Beyond that, the accountability finally goes back to elections. I can't improve on that. You know more about that than I do. So that is how.

Why? I don't know why these people haven't behaved differently at the higher levels. I think there are people in this room whose answers to that are far more insightful and carry more authority than anything I would say on the why question.

Mr. O'Hanlon. Thank you, Congressman.

I will add one thought, which is, I like the 9/11 Commission's tone on this question of responsibility. In the hearings, in many of the televised hearings that they shared, it was very tough and no one was quite sure how political it was going to be in blaming President Bush or blaming President Clinton or what have you. But the

overall report is a little bit more humble, saying we are all now in a position of 20/20 hindsight. And when you go back and you say, okay, we had a Manila plot 1995 that we uncovered, that should have told us that hijacking could be different in this era and, therefore, we should have taken other steps. Do we really think those steps would have prevented 9/11? What is the likelihood?

I think if you go through that thought process, you wind up saying, yeah, we could have done better and, yeah, we probably should have done better. But we were not incompetent, we were not negligent, we were not asleep on the switch, and this attack was not preventable in the sense that it should have definitely been prevented. Maybe it could have been prevented by more brilliant work, by more clairvoyant work, or just more creative or more imaginative work.

But I think the tone is right, and I am not prepared to suggest that anybody should have been fired. I think that it was not our finest hour in many ways, but it was very hard to make the transition from hijacking having been a means to negotiate for the release of prisoners for many decades to assuming that this kind of thing would be the next phase.

There were warning signs. We probably should have hired more air marshals in the 1990s, we probably should

have considered reinforcing cockpit doors, we probably should have tightened airport security. But do we really think we could have expected a pilot to refuse to surrender his plane in a situation where his passengers were being killed by these six people in the back and there were threats that more would be killed unless the plane were surrendered? Do we really think in the pre-9/11 world a pilot would have done that?

I have heard pilots say they would have opened the cockpit door anyway, even if it was reinforced, because in that situation, until you have had the reality of 9/11, the fact that people are being killed in the back one by one is probably going to be powerful enough pressure on you to give up your airplane. And then 9/11 unfolds anyway.

Likewise, with the firewall issue and FBI and CIA intelligence sharing, obviously, in retrospect, it was a major mistake. And I commend the Congress for the PATRIOT Act and other measures that allowed that information sharing to be facilitated. But this country has a very strong civil liberties tradition on the left and the right, and I am not sure it was realistic to think that these firewalls would have been broken down prior to 9/11. I wish they had been, but I am not prepared to say somebody should have been fired just because they weren't.

Mr. Reyes. Mr. Hamre.

Mr. Hamre. Sir, you directed the question to Mr. Odom, and I agreed with his views on it. So I think I wouldn't add much.

Mr. Reyes. Thank you, Mr. Chairman.

The Chairman. The gentleman from Illinois, Mr. LaHood.

Mr. LaHood. Thank you, Mr. Chairman. Thank you for holding this hearing and thanks to our witnesses.

Since this is being broadcast on C-SPAN, I want to just make a statement that I don't think the administration and the Congress has been sitting on its hands for the last 3 years, as has been suggested. We have created a Homeland Security agency, which is about $40 million, and incorporated 22 agencies. Every airport in the country now has TSA employees that did not exist before 9/11 and all the equipment that is attendant to that. We gave the airline industry $15 billion to secure airplanes. We enacted the PATRIOT Act, which allowed people to begin to communicate with one another which they couldn't do before. We gave the City of New York between 20 and $40 billion to help compensate families, firefighters, and the City for the cost of what occurred on 9/11. We authorized and are now recruiting 1,000 new CIA agents and 1,000 new FBI agents. TTIC was created.

The Joint Terrorism Task Force was created in every major city in the country. We went to Afghanistan and dismantled al Qaeda and disrupted the network that came after the United States, and we have liberated Iraq and established a new government there.

So the idea that we have been sitting around on our hands for the last 3 years or the administration hasn't done anything is nonsense. And I think it is also a little bit silly to think that one person, whatever name you call them, intelligence czar or whatever, is going to come in and wave a magic wand and get people to communicate is a bit of folly.

I hope that we consider very carefully creating another stove pipe, another bureaucracy, another opportunity for somebody to create an empire under the camouflage that somehow they are going to get everybody to start talking to one another. There now are people from the CIA working in the FBI and the FBI working in the CIA.

My question to the panelists, if I have time for more than one, but my question is, if the President hadn't come out for the so-called intelligence czar, would you be here today promoting it, even though you don't think it is a good idea? And that is kind of the impression I got from what you said, Dr. Hamre, that you didn't think it was a good idea, but now the President has come out for it so it

is a done deal. But is it still a good idea in spite of the fact that he thinks it is a good idea? And if the others want to comment on that, I would be happy to hear from you. Thank you.

Mr. Hamre. Well, sir, I am just politically realistic. I mean, I think that --

Mr. LaHood. Well, I know you are, sir. But I am asking you, though, if the President hadn't done it, would you be here today saying that it is probably not that good an idea?

Mr. Hamre. Well, sir, frankly, I dodged it when I wrote my statement for you. And, frankly, I ducked that because I am pretty divided on the issue in my own mind. I don't personally think it is a terrific idea largely because I think we are going to implement it poorly. But -- and I am worried about losing -- defense losing equities, to be perfectly candid. Those were my overwhelming concerns when I wrote this statement.

But now that -- and I think it was wrong for Senator Kerrey to say I would just implement the whole thing without even reviewing it. I think that is wrong. And I also think it is wrong to say I am going to have a DNI but I am going to make him a eunuch, you know, because I am not going to give him the tools to be powerful.

So I really would ask you to let me address the

political situation we have today.

As to, in the abstract, would it be best to do it that way? My worry is that we have too much of an -- it is too narrow a community already, that it is too inclined to reach conclusions on too fragile a base of knowledge. We need more competition of ideas, and I am worried about narrowing that. That is my overwhelming concern about -- and reservation about creating a DNI that is all-powerful. But the second-worst thing would be to create a DNI that is not powerful.

Mr. LaHood. General Odom.

General Odom. I have long argued that we should separate the two jobs, director of CIA and DCI. That is the evolutionary logic of the way the community has developed over the last 50 years. Details of the way it is done in here will cause far more problems than they will solve, and doing this won't prevent the next 9/11 by itself. But there are good reasons for doing it without 9/11. It won't ensure anything be done in particular, but it makes it possible that people in the intelligence community will form more effectively if you separate that.

But I, like Dr. Hamre, worry about racing in and taking a big step.

You cited the Homeland Security Department. I have been for a border control department since the 1970s. It

was brought up first in the Carter administration. If you were in the intelligence community and you were trying to support drug enforcement, you discovered you didn't have any place to -- you couldn't give the intelligence to people without creating pandemonium.

If you have a bust -- if you have a drug shipment that you know is coming from some foreign country, to whom do you give it to? DEA? Do you give it to Coast Guard? Do you give it to the FBI? If you give it to -- they all want to make the arrest at a different place, and I have seen cases where, because there was nobody in charge of all those agencies under one Cabinet post, they used it in a way to make sure nothing was ever done and the drugs weren't captured.

We needed a border control department. We have something much more mammoth that I think will be much longer in being effective and eventually may have to be rolled back. I think five or six or seven agencies put together would have made a great deal of sense. I testified for this in the Government Affairs Committee over in the Senate. But I think we have bitten off a far bigger piece than should have been done at that time, and I fear that that could happen in this particular case.

That is why I said earlier, break -- make the positions and then by iteration, progression, test and see

how it works, go more slowly in filling in those boxes underneath.

Mr. LaHood. Mr. O'Hanlon, do you support an intelligence czar? I couldn't really tell from your testimony.

Mr. O'Hanlon. Well, maybe I was trying to emulate the dodging of my esteemed colleague to my right. But I think the most important point I would make simply, sir, is that I do support this. But I actually don't think that the creation of a czar is as important as some of the things that have already been done, some of the things you just mentioned a minute ago like the PATRIOT Act, as well as some of the other things that I think we still need to do and haven't done, such as linking our databases more quickly, not just here at home but internationally, more biometrics indicators, standardized standards for drivers' licenses, more local intelligence capacity. Some of the other things that I was referring to as well, container security being more robust, customs enforcement being more robust with more capacity. I think those things are actually more important than the concept of a czar.

General Odom. May I add one more small point? If you just did one thing, I would create a national counterintelligence service. That is far more important than separating DCI from the director of CIA.

The Chairman. Mr. Boswell, the gentleman from Iowa.

Mr. Boswell. Thank you, Mr. Chairman. I thank you for calling this hearing.

I don't want to be redundant on a number of things. I just think a couple comments and I do want to address a couple points to General Odom.

When you came out of the Academy, I got drafted 2 years later. You spent 30-plus years, and I only spent a little over 20. But I think I come from the same sense of urgency that you come from because of some of that likely same training.

But I will just say this. Intelligence is not much use to you if it doesn't get to the user. You have got to have it if we are going to be safe.

And I would agree with Mr. LaHood that we have done a number of positive things over these last months, a number of things, no question about it. But I think we have a responsibility to reconvene and bring this Congress back and focus on this as the priority, and if we don't do it, I don't think we are doing what we are expected to do. It has, however -- regardless of what we want to say about it, it has been 3 years.

So, maybe we don't know the outcome of the legislative action, but we have a tremendous responsibility to focus, move, if you will. This is a

priority, and it concerns our country's safety.

But, General Odom, I would like to address this first to you. I grew up in an environment that you had to have a need to know. I got my Confidential clearance, a Secret clearance, a Top Secret clearance, and then when I was teaching at Command General Staff College I had to have a -- I don't know -- remember -- a Top Secret Crypto or something. But, you know, you and I could have a Top Secret clearance, but if it is a different field we are working in, we couldn't share. And I guess that was okay, maybe. But now, with this terrorism situation, I think we have got to have a whole new environment. Instead of need to know, it has got to be sharing, and we have to have a "well, I feel like and I would like to hear your comment." We have to have the courage to move into that sharing and put some of these things that we have gown up with over the years aside, whatever we want to name it. You know, we can call it turf, we can call it whatever we want, but, again, if the intelligence doesn't go down to where it needs to go, it isn't of much value.

I am concerned also about -- well, first off, New York, Washington, Los Angeles, absolutely top priority, all the people and all those other good things. But the Midwest where I come from I think is a prime target as well, and nobody ever talks about it. You know, it is the

food production, it is the intercrossing, connecting of the country as we think of our railroad and interstate system and so on. And, I don't know, I think that I could create a lot of havoc just with my own knowledge if I wanted to do something from -- you know, I don't want to send any ideas out there, but something from San Antonio to Minneapolis wouldn't be all that hard to do, and it would freeze our country.

Does anybody -- should we be addressing that? Are we? What is your opinion?

So, first, General Odom, please comment on the need to know versus share, and then we will go from there.

General Odom. I agree that access to more intelligence, particularly where you are going to have a user, is a more important thing to be done.

Progress has been made since you and I were on Active Duty. It was even being made earlier. It was being made in the 1980s definitely. It was a very serious deficiency in Vietnam. But the SIGINT world has I think has opened up rather considerably. It is still a problem, if you believe the Senate select committee's report with some of the clandestine services information.

In my view, it is most serious in the counterintelligence area with the FBI. That is why I put that above all others. There I think that is really an

urgent issue. And as long as you are having to police the department, you are not going to get it out, it is not going to be shared.

On the business of infrastructure and protection and the things that Dr. O'Hanlon has mentioned that you have also brought up, I take a slightly different view on that. One of the things in a book that is cited here, Imperial Hubris, that is emphasized is that bin Laden and his likes want us to cause us to spend more resources. We are running the transaction costs up for the economy in a security way that strikes me as not wise. We can spend ourselves into penury building fences around everything in this country. And if you go fence the airports and you really focus on that, any game theorist will tell you, the next thing, they will move to trains.

I take a little different view. I would show more confidence and say, I am going to tear some of these barriers down. I am not going to spend this money that way. We are going to -- you know, we are in a war, we will take a few casualties. But look at Britain and its struggle with the IRA for years. They don't run around following a policy of sustained hysteria about it. And they have had some -- they have taken some pretty serious hits. But you get used to it, you keep it down, and you learn to not let the other guy force you to squander your

resources. And some of the things I am hearing suggest to me that that would be the policy outcome of acting on concerns about infrastructure.

One of the problems I find with this Homeland Security Department: If they are going to defend all this infrastructure, I don't see how they do it in a Federal system. I don't see how they can issue the orders. States have authority to do things that the Federal Government doesn't do; and if they want to defend them, they can. If they don't want to defend them, they don't have to.

So the idea that we can put security around everything is too far-fetched to make good sense.

Mr. Boswell. Thank you. I see my time is up.

Thank you, Mr. Chairman.

The Chairman. Mr. Cunningham.

Mr. Cunningham. Thank you, Mr. Chairman.

I would also like to associate myself with Mr. LaHood's statements. I want our intelligence services to be flexible, timely, and mobile. And I have -- I am going to show you my notes before you leave. It is almost directly with your testimony. I don't have to ask many of the questions, because I am concerned with DCI and the NID implementation, and I think it could cause a lot of disaster.

Mr. Chairman, I would also like to submit for the record 50 pages of what this committee has done since the 1990s, and the recommendations, the implementations, and the actions that this committee has taken all the way through 2004. To suggest that we have done nothing and have been dragging our feet is intolerable in an opening statement.

[The information follows:]

******** COMMITTEE INSERT ********

Mr. Cunningham. I also want you to understand the environment that this committee has been working in under the last year. Normally, defense in this committee is very bipartisan. It has been driven by the Democrat leadership to be very partisan. I think you have seen some of those statements today, the statement by my colleague: Well, we need to reconvene. It is because Kerrey called for it, and it is a partisan slam, and I take exception to it.

I also take a look at the Chairman -- I am -- you know, Mr. Chairman, if you ever go into war, I want to be your wing man. He has attempted in a very bipartisan way, in a partisan environment, to get things done within this committee.

To suggest in an opening statement that a nine-member-Democrats supported bill wasn't passed is irresponsible, is irresponsible. We had many of the same problems that you do with the implementation of DCI and NID right now; and, no, it wasn't passed, but it was a partisan bill in itself as it came forward.

You know, in your opening statement you mentioned that calling for immediate implementation of the 9/11 recommendations wouldn't be prudent, and you even stated that it was wrong for Senator Kerrey to call for those

implementations, much for the same reasons that I think we have concern with the DCI and NID. If we wanted the agencies to be mobile, flexible, timely -- a Florida A&M coach once said, I want my ballplayers to be agile, mobile, and hostile. You may put it that way as well.

But if we want that, my concern was that, in another statement, the closer to the President, the more political that it becomes. If you have a politician at the top, what happens to the directors? What happens to the Cabinet, especially if that person is not a Cabinet level? What authority does he have to direct that? And if he is political, the reality of it is that there is going to be a lot of gridlock at the top. People are going to be afraid to submit things because it could cost them their job, and that would not be timely as well.

Those are some of the notes that I was going to ask you questions on, and I am glad that you answered those directly because they are also concerns that we have as well.

The focus of the DCI and the NID, I don't know if it is a good thing. But I know one thing that I would recommend this committee does do in a bipartisan way is to sit and demand, if these are implemented, this committee's oversight. Because if it is so political that this committee on both sides of the aisle at least got a bite

at the apple, it is going to be mandatory that we have oversight on the DCI and the NID, increased leadership.

The President -- there is 41 broad 9/11 recommendations. Many of those recommendations -- President Bush has already implemented of the broad ones. Of the specific implementation -- I think there is 43 -- 37 of them are already implemented. The ones that we are talking about today are the ones that are a problem; and I would say, could you provide for the record, because we don't have time, what the recommendations that you would support within the agencies that we take on first, you know, maybe in a priority of the things that we would do.

I would like you to prioritize the things we should be doing with cargo. I remember that Duncan Hunter and I stopped the Costco -- not the chain, but the Chinese ocean company -- from taking over Long Beach Naval Shipyard. The previous administration wanted to allow them to do that, and you could imagine the threat that that would have caused us. But if you could take a look at maybe prioritizing the items that are left that we haven't attended to, I think that would be helpful for all the committee.

The Chairman. Thank you very much, Mr. Cunningham.

We go to Ms. Eshoo of California. Excuse me, you are recognized.

RPTS COCHRAN

DCMN SECKMAN

[11:10 a.m.]

Ms. Eshoo. Thank you, Mr. Chairman, for holding this hearing.

And to the distinguished panelists that are here, I read what you write. I listen to you when you are being interviewed on a variety of stations, so it is not just today that I am drawing much from what you say.

We have spent a good deal of time this morning, legitimately, on reorganization of the Intelligence Community, and as I have listened and benefited from what you have said, I would like to ask you to, with your considerable experience, to talk to us about the reforms that are necessary for the Congress.

I think that we have a long ways to go. I am not one that has been on the committee for years. Even though there is a term limit, I came onto this committee a year ago this last January. And I must say that -- and I have said this many times and many places -- that built into this role is, I believe, a great deal of frustration.

I don't think that oversight is all that it can and should be. I think that the agencies that come before us have a sense of that. You have to go through 20 or 30

questions and jump through hoops and loops and ask the questions in a certain, very specific way in order to secure information.

And at the end of it, I think that the role, that the essential role that the Congress plays in terms of oversight has really been diminished.

You have talked about and someone said something about that money is the oxygen of bureaucracy. I was reminded by one of my constituents that truth is the oxygen of democracy. So I view my role here as being someone that pursues the truth, because, at the end of the day, that is really what we do in a democracy, develop that wholeness that needs to be brought out from the various roles that the agencies play.

So, would you give us the benefit of your thinking, unvarnished, about oversight, if you have any suggestions, strong sensibilities that you have from your experience about congressional oversight and how it can be improved?

Mr. Hamre. Well, I spent 17 years of my professional career working up here for the Congress, and I honestly believe that the Congress is the crown jewel of democracy, American democracy. I am passionate about it. But I am also, frankly, very worried about the serious deterioration of congressional oversight.

The committees are too big. I use the Armed Service

Committees -- a quarter of the Senate is on the Senate Committee on Armed Services. The House Committee on Armed Services has 53 Members on it. The committees are too big.

All of your energy is consumed simply organizing the committee. These committees are too big. The staffs are too big. I frankly think, cut the size of the staffs in half and pay everybody twice as much. It will be a great accomplishment, because there are too many people competing at too low a level for issues. I hate to say it. Forgive me. These are my friends.

Ms. Eshoo. . I am asking for unvarnished responses. I appreciate what you are saying. I think we really have to mix this up. We are not functioning at the level that the times demand.

Mr. Hamre. You spend too much of your time competing with the Committee on Appropriations. There is too much of a sense that you are powerful only if you direct dollars, like they direct dollars. I was on the Committee on Armed Services chasing that for years. We could give you a hunting license, but they gave you rabbits. And you are not going to win that competition. So you have to fall back and say, what are you going to do?

You have to provide the oversight that the Nation wants you to provide as a wise leader, not to sit and look

at the little details and argue about whether the program management structure is right for the signal receiver dish on the satellite or something or the other. You know, we have the wrong focus, and I think a lot of that is size and scope.

Forgive me, I will offend everybody in the room, and I will say, you can't really do oversight when you come to town on Tuesday night and leave on Thursday night. There is not enough of you here long enough to really guide the Nation. We need more oversight, more time in Washington.

I realize I have just ended my chance of ever coming back and talking to you again.

Ms. Eshoo. I agree with you. Most people work 5 days a week. Most of this year, we have come in on Tuesday and leave on Thursday.

General Odom. I agree with Dr. Hamre enthusiastically. Let me explain what it looks like from the executive side dealing with you.

It takes so long to understand the arcane structure, the Intelligence Community, that you are not going to be able to do it in a short amount of time.

Ms. Eshoo. Mr. Chairman, I don't think the committee is in order. I am trying to hear what General Odom has to say. There is a lot of buzzing behind me.

The Chairman. I am sorry. We will cease the

buzzing, please.

General Odom. So, you know, even the people in the Intelligence Community, because they grow up in these particular areas, don't have a good overall picture of the community until very late. And even then, I have always found it somewhat skewed, their understanding of the larger community.

The notion earlier of having them do cross-service in order to get promoted to the senior executive service is a good idea.

So the job for the committee Members in understanding this in depth is huge. Lee Hamilton testified before the Joint Committee in the fall of 2002. I was on that same panel, and I remember him saying that, in his 17 years on this committee, he never fully understood the community. So, that is a problem.

The second aspect is the size, as Dr. Hamre has said. And I was not as much aware as he is -- I have become aware -- of the competition between the authorizing committees and the Appropriations Committees.

I would like to see, from what I understand the problems are, appropriations in the intelligence area given to the Intelligence Committees.

Let me explain another aspect of this that I don't know whether anything can be done about. I think it was a

good thing in 1976, we had the Church hearings and did get a lot of things out in the open. And we had the oversight of the role of the Congress expanded in ways it never existed before.

But what has happened is that the Intelligence Community, particularly the CIA, gets caught between the Congress and the executive branch, because you use the intelligence to play the political games. You can take the same information and get different policies from it, or justify different policies from it. Over the past 20 or 30 years, you have seen that slowly happen. I saw that back in 1980s. The Iran-Contra, the Boland Amendment and these sorts of things are examples of the highly politicization of it.

I don't know how you keep the Intelligence Community from getting caught between the executive branch and the Congress unless you go back to a single joint committee that is very small, something like the old Atomic Energy Committee, because if I were one of you -- I have thought about this when I am out here testifying before the committees in secret -- if I were one of you, I would not want to be on this committee.

Take a covert action. I could come over and tell you, here is a finding; we want permission to do such. And you sign up to it. You are politically culpable. You

have seen the Administration, in previous administrations, actually undercut Members of the Congress because they signed up to something, and then later they didn't like it, became embarrassing; they embarrassed them along with the executive branch.

So, this is a very complex, ambiguous kind of arrangement you have here. I don't know the answer, because I am not deeply experienced. But I have seen some of the phenomena, and I raise it to your attention, because my first thought -- and it may be a shallow thought -- is that I would strengthen the committee, go back much less of an open public role, because the more public intelligence is, the less it is intelligence, and you just have to face that reality.

Sure, it is a democracy, but if you look, the Congress was the first organization to create a secrecy law. You couldn't have gotten the Constitutional Convention to conduct its business if it did not lock itself up and say, we are not going to have any open hearings during this particular period. So secrecy does have its advantages.

So those are just some thoughts I would add to what I really strongly subscribe to. Dr. Hamre is much more experienced on this, and I respect his opinion enormously.

Mr. Hamre. Can I just walk down the hall to go to

the bathroom? I am starting to lose attention. I apologize to be so blunt.

Mr. Boehlert. We can't tell you where it is. It is classified.

The Chairman. We will take a brief recess until all witnesses have a chance to stretch for a moment and Members as well. We will resume in about 5 minutes.

[Recess.]

The Chairman. We still have several Members who have not had an opportunity, and I am hopeful that between now and the time we break this panel for lunch, that we will have an opportunity for at least a few brief follow-up questions from some Members who have indicated they would like to be able to do that.

Mr. Hoekstra of Michigan, the Floor is yours.

Mr. Hoekstra. Dr. Hamre, I'd like to start off, because I really enjoyed the panel this morning, but for saying that Congress only works Tuesday through Thursday, I think, is an unfair characterization of what we do.

Oversight is a function of how committed individual Members are to doing their jobs, and I think that you will frequently find that the Fridays through Mondays are very, very effective days for oversight, especially for Members of the Permanent Select Committee on Intelligence, as we try to visit and meet with folks in the Intelligence

Community, either domestically or internationally. So it is a cheap shot not well taken by this Member.

I really have enjoyed the panel, because you have laid out for us the complexities, the trade-offs involved in reorganizing the Intel Community. This is not an easy chart. The line charts, you guys talked about the need for clear command-and-control structures. We look at the line drawing coming from the 9/11 Commission, and you say some of these folks are going to have 23, 24 bosses. We are not sure where the budget authority goes in those types of things.

If we are more effective in having a more imaginative Intel community, what does that do for reaching conclusions and finalizing a direction that we want to go?

General Odom, you caught my attention the last time there, because I think that is something that maybe the 9/11 Commission has not dealt with and I am not sure the American public has dealt with, and that is, you talked about, are you going to fence in every airport? Are you going to fence in every railroad station? Are you going to fence in every port and those types of things? At the end of the day, how secure we are gets to be a calculus of the risks that we are willing to accept. We do have a question of resources.

Some of the issues that you talked about, Mr.

O'Hanlon, would we have been able to do these things on a resource basis in the 1990s? Could we have gotten it through Congress with where we were with the perception of the threat level in the 1990s? Could we have gotten billions of dollars more for the Intel Community? And would the public have permitted things such as the PATRIOT Act and some of these other changes to occur?

I would be interested whether you guys have thought about how well we are in terms of educating the American people to date as to the trade-offs that we as policymakers do have to make in terms of reducing risk. We will never get to a point where we are 100 percent secure, although I think some American people may believe that is the ultimate objective or that is the responsibility that we have, and whether the public understands the true nature of the challenges that we are facing and whether we as policymakers have been realistic with the public as to what they can and cannot expect.

Again, General Odom, you talked about what happened in Britain, fighting the IRA. They accepted the challenges. They knew what the risks were, but they didn't get into mass hysteria for a long period of time.

Any comments as to where you think the American public is and what they might be willing to accept?

General Odom. My impression of the very limited

experience and the people I viewed down in Tennessee where I grew up and what I know now in the farming community -- I have a house in up in Vermont -- is they are pretty sensible on these things. They may be ahead of some of the political leadership on it.

They have to make trade-offs of this kind. I think political leaders who explain this in sort of straightforward ways are going to get a sensible response. I don't think it is a partisan issue whether or not we are effective protecting ourselves against terrorists.

So, yes, I think the public can respond very sensibly on these spending issues, but it has to be laid out for them that way. You can't politicize the issue and say, well, what makes sense for me to whip up hysteria right now in order to get votes, or it makes sense for me to compete in whipping up hysteria to get votes. It seems to me, in a few cases, that is the way it has tended to go.

Mr. O'Hanlon. Thank you, Congressman.

I guess I feel similarly, but I feel that the major problem I feel right now in our Country, budget sorts of issues, resource issues, is the broader Federal budget deficit, where I do think we have an unrealistic debate.

I think both sides of the aisle are contributing to the perception that there are fairly easy ways to eliminate the deficit, that we can do that and not make

tough choices, that either we can only tax the top 2 percent more or we can just cut taxes and benefit more that way. I find both these competing messages equally unrealistic, and, at some point, budget pressure will again intrude on national security issues.

Right now, the Country is willing to run up deficits and spend what is needed on intelligence, Homeland Security and the Pentagon. Maybe not as much on foreign policy broadly defined, but on these narrow national security issues, I think the Country is sensible and supportive. But at some point, deficits are going to collide with what we are trying to do on the national security front.

I don't believe either party is being realistic. I think, in general, Americans are either going to have to, most of us, pay somewhat higher taxes or have somewhat smaller Government benefits or both. And if we don't face that reality, I think, at some point, our national security programs may suffer.

Mr. Hamre. Sir, I have a comment, but may I first apologize to you, because the one thing I certainly didn't intend was to give you a cheap shot about your service. I marvel because, every day, you are up and working. There is not a day off when you are a politician. So forgive me for that.

What I meant to say, and I thought I had tried to be careful to say, is I think we need more of your oversight in Washington, because the rest of us are trying to compete for a very short amount of time we have access to you, to the kind of function of Government, not that you are not doing oversight when you are home.

Frankly, you have a job of knowing what people think back home, and Washington is an island of unreality, unless you bring that to us. So, please, I apologize to you.

Mr. Hoekstra. I mean, but I think even the days we are not in session, I think you will find a number of Members here in Washington having more time to spend with the agencies that do the work.

Mr. Hamre. And we do take advantage of it. But, again, I do apologize. I certainly didn't intend a cheap shot.

Mr. Hoekstra. Apology taken. Maybe I didn't understand your comments the first time.

Mr. Hamre. No, I appreciate your understanding of me, sir. I will probably offend with this response.

I think, too much since September 11, the two parties have been competing against each other as to who is going to be stronger on homeland security. What that means is, we have not had an honest discussion with the electorate

that we are not going to be able to stop everything. There are going to be some truck bombs, and that is not a sign of political failure.

My goodness, I think of how much has happened in the last 3 years; it is astounding. The agencies are working better together than at any time in my professional recollection. It is just astounding. It is tremendous. But if you were to listen to our public discourse, it sounds like we have done nothing. It sounds like we are just as naked and vulnerable today as we were on the 10th of September 2001. That is not true.

We have done an enormous amount of work. But because everybody is trying to position against the other, we are even more strong than that guy, we are really confusing, I think, the reality. We can't stop everything, and we are going to do our damn best to do it. And we are working every day to try to do it. But we are really setting ourselves up for failure, and I think we need to have a compact, an understanding across the parties that we are going to work in good faith collectively to bring success and not just simply try to score points against each other.

I agree, I am probably offending people again. It is so important. The public knows we can't stop. They just want to know we are working at it.

Mr. Hoekstra. I appreciate all three of your answers on that.

Thank you very much, Mr. Chairman.

The Chairman. Mr. Cramer of Alabama.

Mr. Cramer. Thank you, Mr. Chairman.

I want to thank you for conducting this hearing and say to my colleagues, I am proud of you for coming back. These are times when we are not used to being here, but these are also very uncertain times when we, as well as our constituents, are dealing with the constant threat information which is just specific enough to be overwhelming and even more frightening.

But I would like to take advantage of the panel's wonderful history of expertise here, and you have already offered a lot of information, which I know that this Member finds very valuable.

But I came back on to the Permanent Select Committee on Intelligence after the 9/11 tragedy, in early 2002. We were conducting the joint House-Senate hearings. Frankly, the time that you had to dedicate to that was enormous, but it was very valuable.

General Odom, you made some comments in your answers already about the length of time that it takes for us to get, as committee Members, our hands around the issues, just the structure and the history, much less forming the

kind of relationships that would allow us to dialogue in our secret hearings with the members of the Intelligence Community the way we need to. But now, we have the 9/11 Commission report and have the opportunity to react to that.

I would like all of you to further comment, since 9/11 -- Dr. Hamre, you were just beginning to make some comments that I want to encourage you and the others to expound on -- what have you seen happen, without new laws being passed or without a new structure being set up, that has been positive, that we need to continue to respond to or build on? I would like the others to comment as well.

Mr. Hamre. I will be very brief. I serve on the advisory boards to the National Security Agency and to the FBI, and there is a level of cooperation that just didn't exist before. There was a barrier, a rivalry and a history of non-cooperation. That really has dramatically changed. It is unbelievable how much more constructive, deep cooperation exists inside the Intelligence Communities and between the FBI and CIA. Those used to be terrible rivals, as you know. There is still rivalry, but nonetheless, there is constructive work. People want to constructively work to solve this problem. I think that is a mind-set that is very different.

Mr. O'Hanlon. I am not sure if this is fully

apropos, but what I find encouraging in the 9/11 Commission report that I did not expect to be there is the call for a broader strategy for dealing with the Islamic world and extremism within the Islamic world.

You hear a misunderstanding of this problem on both sides of the aisle. I don't think either presidential candidate has a big enough plan, a big enough idea of how to address this fundamental challenge of our time, but I am glad to see that the groundwork is being laid for a bipartisan debate where everyone recognizes the problem and recognizes we may have to do some tough things here, including more resources for certain Government activities, more effort to understand the Islamic world, more effort to support the reformist parts of it, even as we go after the parts that are so extreme or the individuals who are so extreme and profess to be Muslim in their orientation.

So I see a very healthy dialogue beginning. It is not nearly far enough advanced. Certainly, our programs as a Government are not far enough advanced, but at least we are starting, and I have been encouraged by that.

General Odom. I would endorse what Dr. Hamre said about some of the cooperation. I think that is positive.

I also think it is positive that both committees, the one in the Senate and the one in the House, are talking

about reform. Breaking the DCI's role out separately is long overdue, and the fact you are doing that, to me, is progress.

I am a little discouraged you are not doing as much about counterintelligence. I am also very fascinated by what I would consider the potential for progress when you talk about relooking at your oversight role and the way the budgets are handled here in the Congress and what oversight really amounts to.

So I see all those things as positive. I would not take comfort in these positive moves of cooperation. I don't think they have solved the structural issues, and there will be backsliding between the FBI and CIA and others. The structural incentives are there to push them back. It is not that they are bad people; it is that they behave as very rational, sensible people.

Mr. Cramer. With the limited time left, what would you seize on in the 9/11 Commission's recommendations or in your own recommendations that would cause that structural change?

General Odom. The first thing that has to be done to break the logjam in the Intelligence Community at large is to separate the DCI. I would not rush in to fill in the underbrush that has been recommended in the difficult tail there.

The second thing that has been ignored or partially dealt with in a sort of halfway approach is the CI approach. That really has been broken out.

Mr. Cramer. I would like to give you an opportunity in the next round to further comment on that.

Thank you, Mr. Chairman.

The Chairman. Mr. Burr of North Carolina.

Mr. Burr. Thank you, Mr. Chairman.

Dr. Hamre, it is good to see you again. I want to thank you. You have been one of the few that have pointed out, we have made progress. When I say we -- it is not this committee, it is the total U.S. effort -- at reducing the threat of terrorism.

And I welcome both the other panelists.

Let me take this opportunity to try to talk about three things. First, imagination. I want to go to you, Mr. O'Hanlon. You did a great job of sort of recapping the 11 years we have had experience with terrorism that starts with the 1993 World Trade Center bombing, 1995 Philippine capture of Ramzi Youssef, 1998 embassy bombings, 2000 Cole attack. Failure of judgment or failure of imagination that they happened?

Mr. O'Hanson. Well, sir, imagination. In this case, I would say it was largely a problem of imagination and imagining what terrorism could become in this age of

apocalyptic or catastrophic tactics that weren't devised just to create fear. They were devised to kill a lot of people.

Mr. Burr. At any point in this progressive process though, shouldn't it have changed from imagination to one of judgment, where somebody looked at this mounting case and said, you know, this is just not going to continue like this? That is a judgment, not an imagination. Isn't it?

Mr. O'Hanson. That is a fair point. I think we should have had a more vigorous debate -- with apologies to Dr. Hamre, because he may know more about this than I do -- about the response in 1998 and whether we should have done more than use Cruise Missiles against the Afghanistan training camps. It would have been very hard to do more.

I understand the objections that General Shelton and others raised to the idea of commando raids, for example. We never had perfect intelligence on where bin Laden was. We didn't have access to Pakistani air space. We did not have other ways of getting him. There would have been a lot of challenges. But I am not sure we spent enough time considering that option, given the severity of what we knew we were up against.

Mr. Burr. When you hear the two words used together,

you think they are two totally different ends of the spectrum. I will tell you that there is a very fine line of distinction between judgment and imagination as it relates to fighting the war on terrorism.

Weapons of mass destruction, you said, too much imagination. Let me ask the question a different way: If we find weapons of mass destruction, is it great judgment, or was it the right imagination?

Mr. O'Hanson. That is a fair question, and it probably answers itself. But I tried not to be overly critical of the Bush Administration just because on these points I think they were probably wrong, and I think we are not going to find that evidence. But I concede your point.

But my point is, simply, when you look at the history of Iraq's behavior, how many times in the 1980s we failed to be sufficiently imaginative about what they might have. And it turned out they did have these nuclear programs. And look at the whole history, you can forgive somebody for being a little too imaginative about what Saddam might do next. So I disagree with some of their spin, but I still understand where they were coming from analytically.

Mr. Burr. How much should imagination be driven by intelligence collection?

Mr. O'Hanson. A fair amount. But it is the right --

you have to seize on the data and think about it. You get a lot more information. We should have thought more about 1995, the Manilla plot. That was one data point, but it was a huge data point. And we didn't need a whole lot more to start us thinking that hijackings in the future might be different.

Mr. Burr. I think General Odom has consistently said very clearly, it is about intelligence. You just said it again in your last answer. It is about this concentrated effort on intelligence, and we can't lose focus of that with this chart that we are trying to design of who is going to be here at the core of it. Whether it is judgment or imagination, it is about intelligence, our ability to go out and receive the right stuff.

Let me ask all of you, briefly, how, if at all, does the role of the National Security Advisor change if you create this DNI or individual post that we talk about?

General Odom. Well, if you separate him the way I am talking about and leave him out of the White House office, I don't see that it is different than the competition between the relations between the DCI and the National Security Advisor today.

Mr. Burr. Were it to be placed in the White House --

General Odom. Placed in the White House office, I

think Dr. Hamre's point is very serious. There will be competing National Security Advisors.

The way intelligence is used in the White House through the National Security Advisor and his staff, the President doesn't wait breathlessly for the DCI to come down and tell him what is going on in the world. Intelligence really affects policy making in the White House, is daily pouring in to the situation room and is being distributed to the NCS staff members who handle the particular areas. They integrate it into their daily work and to the informing of the President on whatever process they have.

My own experience in working 4 years in one administration was that there were 90 reports that went in, and I would say 50 percent of the reports were a matter of integrating the intelligence they had, the different staff members had picked up that day, into the policy context. That is the way it is done to the President.

So the National Security Advisor, you could make an argument that he should be the DCI.

Mr. Burr. Before we lose the Defense expertise of this panel, let me just go to one of the Commission's recommendations and ask you about it. They recommended removing the CIA's paramilitary capabilities and placing

that into the Pentagon. I would ask you to comment. I would make an observation that I think that makes us potentially slower and encumbers our reaction to a potential threat. I would ask you to comment on it.

Mr. Hamre. Sir, personally, I don't agree with it. I don't think that is a good idea. Not what you said, but the recommendation of the panel.

The Department has some really quite exceptional capabilities that are similar to things that are done by the agency, but quite different. It also represents a very different nature of commitment, when the Department of Defense does something.

So I think that that would be a step in the wrong direction, in my view. I think we have to have some capacity to undertake operations. I think that that should best be done in another institution rather than exclusively in the Defense Department. There are times when we will do it. There are times when we have done it and times we should. But I don't believe that you want to concentrate all of that inside the Defense Department, personally.

General Odom. Could I comment on that briefly?

I think the way the executive order reads is, when there is a special activity, the DCI conducts it. And if it is paramilitary, he conducts it. I agree, that is what

Dr. Hamre means, which I think it is. I think he is exactly right on that.

There is another way to look at this. The DCI can use paramilitary capabilities he has created without going to the Defense Department if he wants to. You can transfer clandestinely Defense Department assets to the Defense Department. It has been done for years.

I have always favored that, because, having been involved directly in some of these things, I see that the competence of some of the people that are hired into the -- under the CIA's capability is not what it could be and is in the Defense Department. Now, that is not always the case, but it seems to me DCI ought to be able to dip into these great capabilities there, move them over, so they are legally out in this particular period.

I don't want to go into it in an open hearing here, but this is a very dicy kind of area, and you are getting out of intelligence, into operations. So it is an area that I don't think we can treat exclusively here.

But I do think there is something to be said for understanding the capabilities you have in the Defense Department, why they could in some circumstances be the best choice.

Mr. Burr. Thank you.

The Chairman. Thank you. I appreciate your judgment

on that, General. Actually, in our third hearing, we will have a closed portion, if not a totally closed hearing, for just those reasons.

We go to the gentleman from Georgia, Mr. Collins.

Mr. Collins. Thank you, Mr. Chairman.

Thank you, gentleman, for your information that you so willingly shared.

I agree with you, Dr. Hamre and General Odom, it looks like the reality is there will be an NID, a National Intelligence Director, and it will be at the National Counter Terrorism Center. I would hope, though, that we are able to implement policy and provisions that will allow these two, when they do become a reality, to work and work efficiently.

You know, I regret that we are moving so fast in that direction -- and it is because of politics, as we well know -- before we have an opportunity for all of the committees involved in intelligence to analyze the post-9/11 Commission report and make recommendations. I do think that the chairman has made a good effort with the bill that he has presented.

But, you know, I don't care if you call him a DCI or NID or whatever it may be, they are people. And when you have people involved and people fail, then it brings failure to policy. I think that has been a lot of the

problem over the last few years, particularly in the area of management.

I would go to page 11 of the executive summary, and it tells about, in December of 1998, when the DCI issued a directive to several CIA officials in the DCI for community management stating that they there should be a sharing of information and duties, but it was to no avail. Again, it is a lack of management. There was no follow up. That management, I believe, led to a lot of the failures we have seen.

I thought it was very interesting that, during the transition from both the Clinton Administration to the Bush Administration, both were warned that there were very likely possibilities of an attack on U.S. soil. I am pleased to read further that the Bush Administration was moving forward in an effort to put forth a plan that would address the al Qaeda by totally dismantling them and eliminating them in a 3-to-5-year period.

But all that being said, the hindsight is, we had September 11, 2001.

I was pleased, too, though, to see the Commission did report to the question, are we safer? And the answer was yes, but we are not safe.

Having said all that, it all revolves around, again, people. I don't think it is necessary to create a new

title, new center. Just take the people that are in responsibility and share that responsibility and see that they do their job, and who they report to have -- very important -- and the follow up by those reported to.

I appreciate each of you being here, appreciate your analysis and your summary of how you feel. I found it interesting, Dr. Hamre, that, after the reports came out and the press conferences on Monday, you had to totally reshape your statement. But I appreciate the fact you were willing and able to do that. Oftentimes, you have to do that in the process of being a manager or being someone who is a decision-maker or policy-maker.

I appreciate the opportunity of sharing information with you. Thank you.

Thank you, Mr. Chairman.

The Chairman. Mr. Everett.

Mr. Everett. Thank you, Mr. Chairman.

Secretary Rumsfeld had an interesting comment the other day. He pointed out that we live in an area where you can kill 3,000 or 30,000 or 300,000, and it strikes me as a terrible responsibility that the leaders of this Country have to decide on whether or not to do a preemptive strike.

He pointed out the consequences were, if you didn't do a preemptive strike, perhaps nothing happened,

paraphrasing him now, or you didn't do a preemptive strike and something did happen.

So, I would ask you, Mr. O'Hanlon, where do we divide the imagination and hard intelligence? At the end of the day, which one do we act on?

Mr. O'Hanlon. Well, you want to avoid having to make a choice that stark. So I think what you try to do is set up a system of inspections where you can -- that allows you to find out more. And when the other side resists those inspections, then you have a basis for upping the ante, coercion or even war. And you try to set up that sort of an overall concept to the way you think about nonproliferation strategy.

I am a critic of some aspects of the Iraq operation, but I think they got three-fourths of it perfectly right. I just wrote the textbook on how you do this. Someone like Saddam, who has violated so much, you confront him. You give him no way out. You say, we are going come in and either see these weapons destroyed, or we will destroy them.

The only part I would take issue with is the immediate pre-war period, when they didn't necessarily keep the coalition as strong as I think they could have.

But I think the logic of what they did, in a way, avoids having to make a choice quite as stark as you

suggested, Congressman, because you use your imagination to worry about this problem, and then you insist that the other side let you get your eyes and your judgment involved. And if they don't, the responsibility is on them, and then war is justified. So I agree with most of the logic that led us to war in Iraq.

Mr. Everett. This Administration has been criticized for not going into Afghanistan soon enough and going into Iraq too soon. I think that is a pretty unfair evaluation of what has happened.

Let me also ask you, we know we are fighting terrorists, and we know, frankly, I think you have to destroy those cells. I don't see any other way. We know they are implanted in this Country. But how do we approach the long-range problem of speaker, acting with the Islamic world, so that they don't have this hatred, this ingrained hatred or taught hatred toward our Country? What steps -- and I will ask all of you to comment on this if you don't mind -- what steps can we take? How do we change that? In the long run, that is probably the bigger question.

Mr. O'Hanlon. I will start. I will not be exhaustive, but I will mention a couple of things.

We, obviously, need a serious Mideast peace strategy, although there is no guarantee we can succeed even if we

have one.

Mr. Everett. Well, that brings up another problem.

Mr. O'Hanlon. Yes, it brings up a lot of things. But in terms of things not cliched, let me maybe mention two. One is we need, in my opinion, a serious educational reform proposal for the Islamic world. If they are prepared to work with us in countries like Pakistan where they don't have a lot of resources of their own and could use the big financial help, I think we should be very forward-looking on that, the same way the President has been on HIV-AIDS. We should create funds of $2 billion to $5 billion a year to spend on this sort of problem and demand that people get away from these madrassas if they want the money. So educational reform in places like Pakistan would be one big piece.

Secondly, I think we actually need more symmetry with the Islamic world, not just with heads of state. The G-8 at Sea Island was a good step. It brought in some Arab leaders. We need to also bring in Arab scholars and dissidents and clerics, and we need to institutionalize this and have this every year, have C-SPAN and Al Jazeera cover it. And we need, to some extent, to confront each other about misperceptions with the two sides, to some extent, learn more about each other.

We need to support what is going on in the Islamic

world that is good at the same time we criticize what is bad. I think Presidents need to be involved in these summits and former Presidents.

Bill Clinton, whether you like him or not, he gave a brilliant speech in Doha, Qatar, this past January at a forum on U.S. relations with the Islamic world. I would recommend it to anybody. It is on our Brookings web site, because Brookings helped convene the concept.

He showed an understanding of Islam, but he also criticized Islam. He showed appreciation for its history, but he also criticized some of its present politics. He admitted we need to learn more about Islam in the United States, but he also pointed out how much we have done to try to help Muslims with George Bush in Kuwait, in Bosnia, so many other places.

That kind of a dialogue, I think, needs to be institutionalized. We have some initial steps, but not nearly enough.

General Odom. I would add a dimension to this. I think we have to take seriously a review of our own policies and understand some of the things that were pointed out in the book that was raised earlier today, Imperial Hubris.

I don't think all these terrorists attack us just because they hate us and we are Americans. I think there

is pretty good evidence they don't like some of our policies. So I think a sober review on that front is in order.

Let me suggest another dimension that we need to think about here. I don't think we are going to be able to supervise or guide or tutor the political development of these countries. They are going to go through their own revolutionary cycles.

The Iran case is instructive. We had good relations with Iran for a long time. You had a huge development of hostility to the forces of modernization that came in and eventually brought the Shah down. Iran is going through its own internal change. Slowly, you are seeing a new generation come up.

But this doesn't happen quickly. For the next 15, 20 or 30 years, most of the successor regimes in the Middle East are going to hate us. We are just going to have to live with that and let them live through it. We may be able to deal with them more effectively or realistically if we are able to have a more detached position.

If you look back to pre-fall of the Shah, 1979, the U.S. had a reasonably good position in the region because it straddled two quarrels fairly effectively, not just the Arab-Israeli quarrel but also the Arab-Persian quarrel which is as old as the Arab-Israeli one.

When you have reasonable relations with both sides, you can keep the level of violence down and balance power. When you lose your footing in one of these areas, then things get out of control and you have to compensate with huge military power.

I was in the White House when we built the Persian Gulf security framework. It started with central. It was because we were responding to having lost our footing in Iran. Now, we are about to lose our footing in the Arab world and get yanked purely on to the Israeli side.

We need to get our footing back in all three of these. Until we do that, we are not going to be able to deal with the region, and we are not going to be able to deal with the region as long as we are isolated from Europe and East Asia. It is less a problem in East Asia, but Europe ought to be in this with us. So we may have to revise our policies, to some degree, to get Europe on board.

I don't know what it will take to get them back on board. Some of their accusations against us, I think, are not very well founded. But you have to be pragmatic about what you want supporting you to kind of stabilize this region from Afghanistan to the Eastern Mediterranean. And if you don't think of it on this overall global scale, you are going to get it wrong.

I would add one last point. The solution to the problem out there is regional stability. You won't get regional stability if you raise the nuclear issue above regional stability. We made WMD the priority issue. By focusing on that, you have destabilized the region, and you get all the consequences of destabilization because you have got the priorities wrong on what your issues are. We are about to do the same thing in Northeast Asia with North Korea.

I am not sure we are going to prevent much proliferation of weapons with this kind of a policy. So I just would leave that as a broad outline of the kinds of rethinking of the policy issues here that are going to have to be completed. The intelligence world can enrich this, but intelligence cannot force this. And it can't make policy-makers do it.

Mr. Everett. Dr. Hamre, I am one of those 12 Members of Congress that has four full committees, and I am pretty much 24/7. But that is another issue. Would you please comment on that?

Mr. Hamre. Sir, I know you are 24/7. I apologize if I gave you that impression.

My colleagues have offered a very rich feast of ideas that are worth exploring. I don't have a lot to offer.

I would ask, we need as a Country to start to not

just simply whitewash this whole region as the Islamic world. There is a tremendous diversity across this region, and, frankly, there are some very important positive developments in places. To see the emergence of democratic structures in places like Morocco, Oman, Turkey, these are really quite positive.

I think our rather uniform rhetoric of condemnation really makes it hard, I think, for those reformist sentiments that are already moving in the Islamic world to step forward.

Our problem is with Islamic cultists. These are cultists, and they view them as cultists. We have elevated them and given them far more status and standing in their society by the way we react. That would be something we could do on our side of the effort.

Thank you.

The Chairman. The time has expired. I know that Members on each side, some have indicated they would like to ask one quick question. If you all can tolerate that, I promise we won't go more than 10 minutes. We have a panel that will begin at 1 and another panel that will follow that at 3. We have a very full afternoon. We are, therefore, going to proceed quickly.

Ms. Harman. Thank you, Mr. Chairman.

I want to thank our witnesses very much for 3 hours

of thoughtful comments, mostly about organization, but also about geopolitics.

Mr. Everett was asking you some important and penetrating questions beyond our jurisdiction, but they are things we have to think about, too. Intelligence reform happens in a context, and the context also matters. But my one question is back to intelligence reform.

We have had a lot of conversation today, even though our topic is imagination, about restructuring and how one builds the right organization and what needs to be in it.

My question is actually about leadership. It is my view that, even in the best organization, you can fail because you don't have leadership, and even in the worst organization, you can fail because you don't have leadership, although success is more likely in the better organizational framework.

So my one question is, how important is organization to the chance of success in terms of our Intelligence Community getting it right? And by getting it right, I don't mean 100 percent right. We all get that, that the intelligence business is predictive. But if you have the right organization, how does that enhance your ability to get it right?

Mr. Hamre. Very briefly, I forget his name, there is a French political philosopher who once said, man invents

ideas, but institutions sustain them. So you can get bold and innovative leadership that starts things, but unless it is institutionally grounded, the next generation doesn't improve.

So if you don't embed this institutionally, you will find the institution is diminishing the quality of leadership over time. So I think it is very important to get it right.

Mr. O'Hanlon. Congresswoman, just one very quick example that others in this room know a lot about, the attempted Iran hostage rescue mission in 1980. We had great people in the military then, but the system actually worked against them. There were no joint service commands that allowed different service people to prepare properly in advance. There wasn't enough premium placed on training for this sort of a mission, not enough people in the right places that had enough bureaucratic clout to prepare the way that was necessary, and we saw the result.

Maybe that debacle could have happened today, too, but it would have been much less likely. And that was a tangible manifestation of the fact that you had very good people trained within their individual services fairly well, but when you needed to orchestrate a joint operation, we just didn't get it right, and we didn't prepare for it very well. That was because of structure

and process, not because of people, I would argue.

General Odom. The community will do reasonably well without reform, except in one area, counterintelligence. You are not even addressing that head on. It will do much better, particularly in efficient use of resources, if you split out the DCI and allow him the right kind of staff. If you fill in the kind of detail that I understand may be in your bill on this thing, you might make it worse.

The Chairman. Mr. Boehlert.

Mr. Boehlert. Thank you very much.

I would like to enlist the panel, hopefully, to agree with a proposition advanced on page 396 of the Commission report and something that I believe in very strongly, not because I am a New Yorker, but because I want to address risk and responsibility and vulnerabilities in a most responsible way.

The recommendation of the panel is homeland security assistance should be based strictly on an assessment of risk and vulnerabilities. In 2004, Washington and New York City are certainly at the top of any such list. We understand the contention that every State and city needs to have some minimum infrastructure for emergency response, but Federal homeland security assistance should not remain a program for general revenue-sharing.

Yet the Congress -- and this is a failure of the

Congress -- did just the opposite. We viewed it as a general revenue-sharing program when we had an amendment on the floor to deal with the distribution of anti-terrorist aid. Would you agree with the Commission recommendation that that aid should be based upon risk and vulnerabilities?

Mr. O'Hanlon. Yes. Absolutely, although, of course, it is subjective.

But I agree with Congressman Boswell's earlier point that the Midwest could be vulnerable, too. I am not sure Chicago should get three times less money than New York per person, but I am sure that, when Wyoming gets six times as much as New York, something is awry.

Mr. Hamre. I surely would agree with that, but that is even more reason we have to be careful when we do color-coding kind of warnings, because the local guy, the local police chief is going to say, if it is a red kind of day, I have to do something, too. We confuse them.

Mr. Boehlert. You notice in this latest warning, it is site specific and not over America. We are getting a lot better.

Thank you very much, General.

The Chairman. Mr. Reyes.

Mr. Reyes. Thank you, Mr. Chairman. I would like for you to comment on an observation that the former DCI

Tenet gave us earlier in testimony, both to us and to the Senate, when he talked about al Qaeda having no center of gravity in terms of how you traditionally go after enemies in traditional warfare. In fact, he cited, and I want to quote him, the steady growth of Osama bin Laden's anti-U.S. sentiment throughout the wider Sunni extremist movement and the broad dissemination of al Qaeda's destructive expertise ensure that a serious threat will remain for the foreseeable future with or without al Qaeda being in the picture. He was referring there to the way that al Qaeda has used new technology like the Internet and things like that.

So, do you agree that we, our Country, and those of us doing oversight, those of us involved in setting out the strategy to fight al Qaeda, do you agree that we simply do not understand that there is no traditional center of gravity, that we are going to have to change our strategy, change the way we look and think about those threats? And do you have any suggestions based on your experience or observations?

Mr. Hamre. I certainly agree. I would like to hear Bill Odom speak to it this, because I know he has thought a lot about this. I think we have to think of this in the context of Islamic society. We are not going to stop this problem until we can get the larger Islamic community to

say, this is destructive to us. We need to think about it in that sense. I would be very interested in the views of both my colleagues.

RPTS JURA

DCMN HERZFELD

[12:10 p.m.]

Mr. O'Hanlon. I will go quickly and look forward to the General's comments as well. But one thing in the 9/11 Commission report that is striking, and I am sure we all feel this way, is when you read it, this was a plot hatched by some key individuals over a long period of time, with a lot of planning, and who needed to have a certain role in their organization to have the influence they did. In other words, there was a center of gravity. And the kinds of attacks we have seen since 9/11 and since the overthrow of the Taliban and the eviction of al Qaeda from Afghanistan have been very dangerous, but they are of an order of magnitude less severe. And I think al Qaeda in its current form would have a much harder time doing another spectacular 9/11 sort of attack.

So I only partially agree. I think there still is a center of gravity, and we have partially destroyed it and put it on the run, and it is important to keep that part up.

On the other hand, as we saw in Bali, as we saw in Spain, as we have seen in many other places, truck bombs and similar kinds of explosives can still do a lot of

damage in a very dispersed way; and I think that problem is going to be with us for a long time.

Mr. Reyes. What will -- and when we pressed the DCI on it, he was talking about fully understanding and grasping the issue of the jihad in terms of attacking us in nonconventional, nontraditional ways. General.

General Odom. Oh, I agree that they are attacking us in nonconventional ways, and their organization is nonconventional if you think of only in the way we are organized. But this kind of dispersed organization has analogies in earlier times in history. Anthropologists have discovered in Indian tribes in the U.S. where it wasn't a hierarchal structure, but there it was a very fully shared set of ways of looking at things and coordinated activities.

But I still think the principles of how looking for a center of a mass, looking for command and control arrangements can be applied in this new situation. So I don't think Clausewitz is made irrelevant here. I think it requires applying it in a much more sensible rather than a mechanical, misconceptual fashion.

Mr. Reyes. So your recommendation? Do you have any recommendation?

General Odom. Well, the recommendation, I suppose I am not really sure specifically what we would change about

the way we are looking at it. It seems to me the Intelligence Community, insofar as we have had information put out in the public, and a lot of this is getting out in the public, understands that it is a fairly dispersed network arrangement, and attacks have been designed against a dispersed network insofar as I know. I don't feel competent to criticize or assess the strategy that is actually being implemented. But insofar as I understand it, it seems to me considerable numbers of judgments, of very sensible judgments, have been made in this regard.

You know, while I didn't think it made any sense to go into Iraq because Iraq didn't have any connection with al Qaeda, I mean -- and those people knew that before the war. And Saddam -- I mean, Osama bin Laden has always wanted to destroy secular Arab leaders, and Saddam is on his list. But going into Afghanistan seemed to me absolutely essential to destroy that base, and taking that base away from him has hurt al Qaeda, and I think that is what Dr. O'Hanlon's points rest on.

Now the issue is, it seems to be, he has moved his base into Pakistan. What are we going to do, invade Pakistan? I think we understand the base is there, but we will have to find another way to go about it because I don't think invading Pakistan is really on right now.

But that is what I mean by using the concepts

appropriately rather than the kind of a mechanistic way that misleads you.

And so I guess I certainly agree it is a different kind of war in the way tactics are being implemented, but I don't think it is a different war in the sense of the bottom line. It is a policy instrument to try to compel your opponent to yield to your will, and that is -- that doesn't seem to be invalidated in this. It seems to be, if anything, reinforced.

Mr. Reyes. Thank you.

Thank you, Mr. Chairman.

The Chairman. Thank you. We have now gone beyond the point of time and beyond the point of 10 minutes, and I am going to recess for lunch. And those Members who had extra questions will be recognized in the next panel, because I am sure that we will continuously have extra questions as time is going to allow. It is the sign of a good hearing that you have stimulated great interest and that we have Members who still want to share your wisdom and hear more of what you have to say. We are grateful for your contributions, and you will probably be hearing from us more as we proceed through this.

Thank you so much. Enjoy your lunch. We are in recess until 1:00.

[Recess.]